

(19) World Intellectual Property
Organization
International Bureau



(43) International Publication Date
22 January 2004 (22.01.2004)

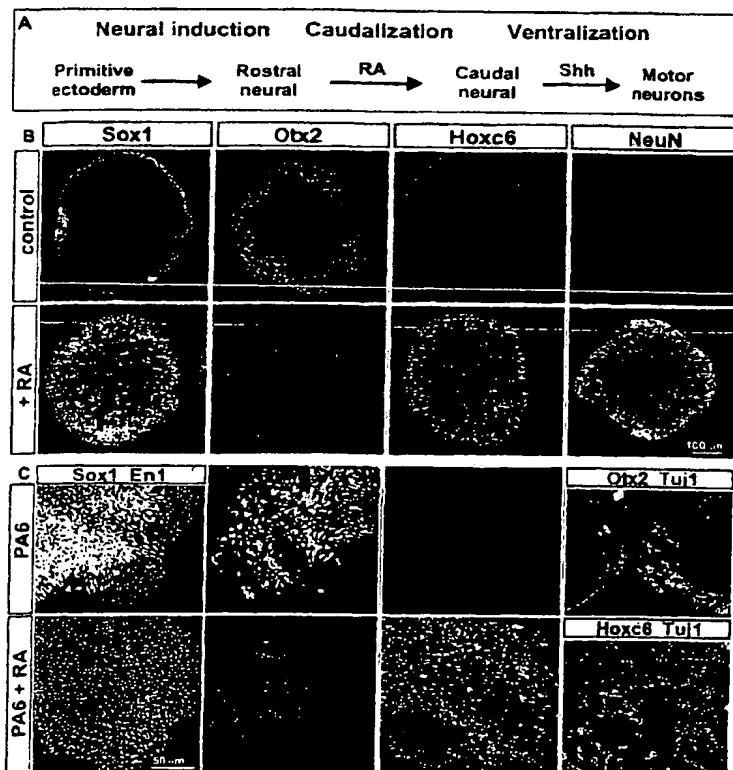
PCT

(10) International Publication Number
WO 2004/007665 A2

- (51) International Patent Classification⁷: C12N
- (21) International Application Number: PCT/US2003/020399
- (22) International Filing Date: 26 June 2003 (26.06.2003)
- (25) Filing Language: English
- (26) Publication Language: English
- (30) Priority Data: 10/96,882 16 July 2002 (16.07.2002) US
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- (81) Designated States (*national*): AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, BZ, CA, CH, CN, CO, CR, CU, CZ, DE, DK, DM, DZ, EC, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, MZ, NO, NZ, OM, PH, PL, PT, RO, RU, SC, SD, SE, SG, SK, SL, TJ, TM, TN, TR, TT, TZ, UA, UG, UZ, VC, VN, YU, ZA, ZM, ZW.
- (84) Designated States (*regional*): ARIPO patent (GH, GM, KE, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZM, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, BG, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GR, HU, IE, IT, LU, MC, NL, PT, RO,

[Continued on next page]

(54) Title: METHODS FOR INDUCING DIFFERENTIATION OF EMBRYONIC STEM CELLS AND USES THEREOF



(57) Abstract: The present invention provides a method for inducing differentiation of an embryonic stem cell into a differentiated neural cell. The present invention further provides a method for producing differentiated neural cells, and a population of cells comprising the differentiated neural cells. Additionally, the present invention provides a method for repopulating a spinal cord in a subject, and a method for treating nervous tissue degeneration in a subject in need of treatment. The present invention further provides neural progenitor cells, differentiated neural cells, and uses of same. Also provided is a transgenic non-human animal containing the differentiated neural cells. The present invention is further directed to a method for isolating a population of differentiated neural cells. Finally, the present invention provides a method for identifying an agent for use in treating a condition associated with neuron degeneration.

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Serial Number: 10/789,308
Filing Date: February 26, 2004
Exhibit 2



SE, SI, SK, TR), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GQ, GW, ML, MR, NE, SN, TD, TG).

For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

Published:

- *without international search report and to be republished upon receipt of that report*

METHODS FOR INDUCING DIFFERENTIATION OF EMBRYONIC STEM CELLS AND USES THEREOF

BACKGROUND OF THE INVENTION

[0001] Hundreds of distinct neuronal types are generated during the development of the vertebrate central nervous system (CNS), establishing a cellular diversity that is essential for the formation of neuronal circuits. The selective degeneration of specific types or classes of CNS neurons underlies many neurological disorders. This realization has generated interest in defining populations of progenitor cells that may serve as replenishable sources of neurons, with a view to treating neurodegenerative disorders. Directing such progenitor cells along specific pathways of neuronal differentiation in a systematic manner has proved difficult, not merely because the normal developmental pathways that generate most classes of CNS neurons remain poorly defined.

[0002] Studies of the neurogenic potential of progenitor cells have focused on three major classes of cells: (1) neural progenitors derived from embryonic or adult nervous tissue (Alvarez-Buylla *et al.*, A unified hypothesis on the lineage of neural stem cells. *Nat. Rev. Neurosci.*, 2:287-93, 2001; Gage, F.H., Mammalian neural stem cells. *Science*, 287:1433-38, 2000; Temple, S., The development of neural stem cells. *Nature*, 414:112-17, 2001; Uchida *et al.*, Direct isolation of human central nervous system stem cells. *Proc. Natl. Acad. Sci. USA*, 97:14720-725, 2000); (2) non-neural progenitor cells derived from other tissues and organs (Brazelton *et al.*, From marrow to brain: expression of neuronal phenotypes in adult mice. *Science*, 290:1775-79, 2000; Mezey *et al.*, Turning blood into brain: cells bearing neuronal antigens generated in vivo from bone marrow. *Science*, 290:1779-82, 2000; Terada *et al.*, Bone marrow cells adopt the phenotype of other cells by spontaneous cell fusion. *Nature*, 416:542-45, 2002; Ying *et al.*, Changing potency by spontaneous fusion. *Nature*, 416:545-48, 2002); and (3) embryonic stem (ES) cells (Bain *et al.*, Embryonic stem cells express neuronal properties in vitro. *Dev. Biol.*, 168:342-57, 1995; Reubinoff *et al.*, Neural progenitors from human embryonic stem cells. *Nat. Biotechnol.*, 19:1134-40, 2001; Schuldiner *et al.*, Induced neuronal differentiation of human embryonic stem cells. *Brain Res.*, 913:201-05, 2001; Zhang *et al.*, In vitro differentiation of transplantable neural precursors from human embryonic stem cells. *Nat. Biotechnol.*, 19:1129-33, 2001; Rathjen *et al.*, Directed differentiation of pluripotent cells to neural lineages: homogenous formation and

differentiation of a neuroectoderm population. *Development*, 129:2649-61, 2002). ES cells possess the capacity to generate both neurons and neuroglial cells, and, in some instances, express cell-type markers characteristic of specific classes of neurons, including midbrain dopaminergic neurons (Kawasaki *et al.*, Induction of midbrain dopaminergic neurons from ES cells by stromal cell-derived inducing activity. *Neuron*, 28:31-40, 2000; Lee *et al.*, Efficient generation of midbrain and hindbrain neurons from mouse embryonic stem cells. *Nat. Biotechnol.*, 18:675-79, 2000). Despite these advances, however, it was not known, prior to the present invention, that ES cells can readily generate specific neuronal cell types, nor that they can recapitulate normal programs of neurogenesis.

10 **[0003]** Spinal motor neurons represent one CNS neuronal subtype for which many of the relevant pathways of neuronal specification have been defined (Jessell *et al.*, Neuronal specification in the spinal cord: inductive signals and transcriptional codes. *Nat. Rev. Genet.*, 1:20-29, 2000; Lee *et al.*, Transcriptional networks regulating neuronal identity in the developing spinal cord. *Nat. Neurosci.*, 4 Suppl.:1183-91, 2001). The generation of spinal
15 motor neurons appears to involve several developmental steps. Initially, ectodermal cells acquire a rostral neural character – a process achieved through the regulation of BMP, FGF, and Wnt signalling (Munoz-Sanjuan *et al.*, Neural induction, the default model and embryonic stem cells. *Nat. Rev. Neurosci.*, 3:271-80, 2002; Wilson *et al.*, Neural induction: toward a unifying mechanism. *Nat. Neurosci.*, 4 Suppl.:1161-68, 2001). These rostral neural
20 progenitors acquire a spinal positional identity in response to caudalizing signals that include retinoic acid (RA) (Blumberg *et al.*, An essential role for retinoid signaling in anteroposterior neural patterning. *Development*, 124:373-79, 1997; Durston *et al.*, Retinoids and related signals in early development of the vertebrate central nervous system. *Curr. Top. Dev. Biol.*, 40:111-75, 1998; Muhr *et al.*, Convergent inductive signals specify midbrain, hindbrain, and
25 spinal cord identity in gastrula stage chick embryos. *Neuron*, 23:689-702, 1999). Subsequently, spinal progenitor cells acquire a motor neuron progenitor identity in response to the ventralizing action of Sonic Hedgehog protein (SHh) (Briscoe *et al.*, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11:43-49, 2001).

[0004] Specification of motor neuron progenitor identity by SHh signalling is
30 mediated through the establishment of a dorsoventral pattern of expression of homeodomain (HD) and basic helix-loop-helix (bHLH) transcription factors (Briscoe *et al.*, *supra*). At a

relatively high level of SHh signalling, a discrete progenitor domain – termed the pMN domain – is established; within this domain, cells appear committed to the generation of motor neurons rather than interneurons (Briscoe *et al.*, A homeodomain protein code specifies progenitor cell identity and neuronal fate in the ventral neural tube. *Cell*, 101:435-45, 2000).

[0005] Progenitor cells in the pMN domain are characterized by the expression of two HD proteins (Pax6 and Nkx6.1) and a bHLH protein (Olig2) (Ericson *et al.*, Pax6 controls progenitor cell identity and neuronal fate in response to graded SHh signaling. *Cell*, 90:169-80, 1997; Sander *et al.*, Ventral neural patterning by Nkx homeobox genes: Nkx6.1 controls somatic motor neuron and ventral interneuron fates. *Genes Dev.*, 14:2134-39, 2000; Vallstedt *et al.*, Different levels of repressor activity assign redundant and specific roles to Nkx6 genes in motor neuron and interneuron specification. *Neuron*, 31:743-55, 2001; Novitch *et al.*, Coordinate regulation of motor neuron subtype identity and pan-neuronal properties by the bHLH repressor Olig2. *Neuron*, 31:773-89, 2001; Mizuguchi *et al.*, Combinatorial roles of olig2 and neurogenin2 in the coordinated induction of pan-neuronal and subtype-specific properties of motoneurons. *Neuron*, 31:757-71, 2001). Each of these three transcription factors has an essential role in the specification of spinal motor neuron identity (Ericson *et al.*, Pax6 controls progenitor cell identity and neuronal fate in response to graded SHh signaling. *Cell*, 90:169-80, 1997; Sander *et al.*, Ventral neural patterning by Nkx homeobox genes: Nkx6.1 controls somatic motor neuron and ventral interneuron fates. *Genes Dev.*, 14:2134-39, 2000; Vallstedt *et al.*, Different levels of repressor activity assign redundant and specific roles to Nkx6 genes in motor neuron and interneuron specification. *Neuron*, 31:743-55, 2001; Novitch *et al.*, Coordinate regulation of motor neuron subtype identity and pan-neuronal properties by the bHLH repressor Olig2. *Neuron*, 31:773-89, 2001; Mizuguchi *et al.*, Combinatorial roles of olig2 and neurogenin2 in the coordinated induction of pan-neuronal and subtype-specific properties of motoneurons. *Neuron*, 31:757-71, 2001; Zhou *et al.*, The bHLH transcription factors OLIG2 and OLIG1 couple neuronal and glial subtype specification. *Cell*, 109:61-73, 2002; Lu *et al.*, Common developmental requirement for Olig function indicates a motor neuron/oligodendrocyte connection. *Cell*, 109:75-86, 2002). Moreover, their combined activities drive motor neuron progenitors out of the cell cycle (Novitch *et al.*, Coordinate regulation of motor neuron subtype identity and pan-neuronal properties by the bHLH repressor Olig2. *Neuron*, 31:773-89, 2001; Mizuguchi *et al.*,

Combinatorial roles of *olig2* and *neurogenin2* in the coordinated induction of pan-neuronal and subtype-specific properties of motoneurons. *Neuron*, 31:757-71, 2001), and direct the expression of downstream transcription factors (notably the HD protein, HB9) that consolidate the identity of post-mitotic motor neurons (Pfaff *et al.*, Requirement for LIM homeobox gene *Isl1* in motor neuron generation reveals a motor neuron-dependent step in interneuron differentiation. *Cell*, 84:309-20, 1996; Arber *et al.*, Requirement for the homeobox gene *Hb9* in the consolidation of motor neuron identity. *Neuron*, 23:659-764, 1999; Thaler *et al.*, Active suppression of interneuron programs within developing motor neurons revealed by analysis of homeodomain factor HB9. *Neuron*, 23:675-87, 1999).

- 10 [0006] The above findings suggest that insights into normal pathways of neurogenesis can be applied in a rational manner to direct heterologous sets of progenitor cells, such as ES cells, into specific CNS neuronal subtypes. ES cells have been reported to generate cells with some of the molecular characteristics of motor neurons (Renoncourt *et al.*, Neurons derived in vitro from ES cells express homeoproteins characteristic of motoneurons and interneurons. *Mech. Dev.*, 79:185-97, 1998). However, prior to the present invention, neither the pathway of generation of these neurons, nor their *in vivo* developmental potential, has been adequately explored.

SUMMARY OF THE INVENTION

- 20 [0007] The inventors have examined whether the extracellular signalling factors that operate along the rostrocaudal and dorsoventral axes of the neural tube, and which specify motor neuron fate *in vivo*, can be harnessed *in vitro* to direct the differentiation of mouse ES cells into functional spinal motor neurons. As disclosed herein, the inventors have determined that the exposure of neuralized ES cells to RA induces the differentiation of spinal progenitor cells, and that the activation of Hedgehog (Hh) signalling directs these cells to generate motor neurons. The inventors have also shown that the intrinsic molecular pathway of motor neuron differentiation triggered by Hh signalling mimics that involved in motor neuron generation *in vivo*. The use of a GFP-based motor neuron marking method permitted the characterization of pure populations of ES-cell-derived motor neurons. Such motor neurons can repopulate the embryonic spinal cord *in vivo*, extend axons into the periphery, and undergo synaptic differentiation at sites of contact with skeletal muscles.
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Thus, normal pathways of neurogenesis can be subverted in a rational manner to direct ES cells into specific subclasses of CNS neurons.

[0008] Accordingly, the present invention provides a method for inducing differentiation of an embryonic stem cell into a differentiated neural cell, by contacting the embryonic stem cell with amounts of a rostralizing and/or caudalizing embryonic signalling factor and a dorsalizing or ventralizing embryonic signalling factor effective to produce a differentiated neural cell. Also provided is a differentiated neural cell produced by this method.

[0009] The present invention also provides a method for producing differentiated neural cells by: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; and (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor. Also provided is a population of cells, comprising the differentiated neural cells produced by this method.

[0010] The present invention further provides a method for repopulating a spinal cord in a subject by: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; and (e) transplanting the differentiated neural cells into a spinal cord of the subject.

[0011] The present invention is also directed to a method for treating nervous tissue degeneration in a subject in need of treatment by: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; and

(e) transplanting the differentiated neural cells into the subject in an amount effective to treat the nervous tissue degeneration.

[0012] Additionally, the present invention provides neural progenitor cells produced by: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells; and (c) optionally, contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor. Also provided is a use of these neural progenitor cells in analyzing neuron development, function, and death, or in monitoring synaptic differentiation.

[0013] The present invention further provides differentiated neural cells produced by: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; and (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor. Also provided are a transgenic non-human animal containing these differentiated neural cells and a use of these differentiated neural cells in analyzing neuron development, function, and death, or in monitoring synaptic differentiation.

[0014] The present invention is also directed to a method for isolating and/or purifying a population of differentiated neural cells by: (a) obtaining or generating a culture of embryonic stem cells that express enhanced green fluorescent protein (eGFP); (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells that express eGFP; (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells that express eGFP; (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; (e) detecting expression of eGFP in the differentiated neural cells; and (f) isolating the differentiated neural cells that express eGFP.

[0015] Finally, the present invention provides a method for identifying an agent for use in treating a condition associated with neuron degeneration by: (a) obtaining or

generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of retinoic acid effective to produce neural progenitor cells; (c) activating a Hedgehog signalling pathway in the neural progenitor cells, to produce neurons, wherein some or all of the neurons are degenerated; (d) contacting the degenerated neurons with a candidate agent; and (e) determining if the agent enhances regeneration of some or all of the degenerated neurons.

[0016] Additional aspects of the present invention will be apparent in view of the description which follows.

BRIEF DESCRIPTION OF THE FIGURES

10 [0017] FIG. 1 demonstrates that retinoic acid induces caudal positional identity in neuralized embryoid bodies. (A) Progressive steps in the specification of spinal motor neuron identity. Neural inductive signals convert primitive ectodermal cells to a neural fate. During the initial phases of neural induction, progenitor cells express an anterior identity. Extrinsic signals, including retinoic acid (RA), convert rostral neural plate cells to
15 progressively-more-caudal identities. Caudal neural progenitors are converted to motor neurons under the influence of Sonic Hedgehog (SHh) signalling. (B) Expression of pan-neural and rostrocaudal markers in embryoid bodies (EBs) grown in the presence or absence of RA (2 μ M). The expression of early neural plate marker, Sox1, was increased in EBs cultured for 3 days in the presence of RA. Otx2 expression was present in EBs grown in the
20 absence of RA for 3 days, but was extinguished in the presence of RA. Hoxc6 was expressed in EBs exposed to RA for 5 days. Large numbers of post-mitotic neurons, marked by NeuN expression, were observed when EBs were grown for 5 days in the presence of RA. (C) ES cells cultured on PA6 cells for 6 days expressed neuronal marker, Sox1. Many Sox1⁺ cells coexpressed En1, but did not express Hoxc6. Many TuJ1⁺ neurons coexpressed Otx2.
25 Addition of RA (2 μ M) to ES cells grown on PA6 cells resulted in the extinction of En1 and Otx2 expression, and the expression of Hoxc6 in progenitor cells and TuJ1⁺ post-mitotic neurons. Many of these neurons expressed HB9, and, therefore, were motor neurons (see FIG. 9).

[0018] FIG. 2 illustrates Hedgehog-dependent ventralization of neural progenitor
30 cells in embryoid bodies (EBs). (A) Schematic outline of the SHh-activated transcriptional pathway of spinal motor neuron generation. The proteins that inhibit motor neuron

generation are *lrx3* and *Nkx2.2*. The remaining proteins are required for motor neuron generation. (B) Patterns of expression of HD and bHLH transcription factors in the caudal neural tube of E9.5 mouse embryos. The progenitor domain giving rise to motor neurons was marked by the coexpression of *Olig2*, *Nkx6.1*, and low levels of *Pax6*. (C) Profile of transcription factor expression in ES-cell-derived EBs grown for 3 days, either in the presence of RA (2 μ M) alone or with 10 nM or 1 μ M Hh-Ag1.3. (D) Quantification of transcription factor expression in EBs in the presence of RA and different concentrations of Hh-Ag1.3. Depicted are mean \pm s.e.m. values, per section, from 8 EBs assayed for each condition.

- 10 [0019] FIG. 3 depicts expression of motor neuron and interneuron transcription factors in embryoid bodies (EBs). (A) Coexpression of HB9 and *Lhx3* defined newly-generated motor neurons. *Lhx3* alone was expressed by V2 interneurons. Coexpression of HB9 and *Isl1* defined subsets of motor neurons. Some lateral motor column (LMC) neurons expressed high levels of HB9 in the absence of *Isl1*; in contrast, other LMC neurons expressed *Isl1*, but only expressed HB9 at very low levels. *Isl1* was also expressed by some dorsal interneurons. Coexpression of HB9 and *Lim1* defined lateral LMC neurons. Many interneurons also expressed *Lim1*. (B) EBs grown for 5 days in the presence of Hh-Ag1.3 (1 μ M), but not RA, did not contain HB9⁺ neurons. EBs grown for 5 days in the presence of RA (2 μ M), but not Hh-Ag1.3, contained a small number of HB9⁺ neurons. EBs grown for 5 days in the presence of RA and anti-Hh antibody (mAb 5E1; 30 μ g/ml) did not contain HB9⁺ neurons. EBs grown for 5 days in the presence of RA and recombinant SHh-N (300 nM) contained many HB9⁺ neurons. (C) Coexpression of HB9 and NeuN in neurons in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M). (D) Localization of HB9 in the nucleus of a *TuJ1*⁺ neuron, obtained by dissociation of EBs grown for 5 days in the presence of RA, and cultured for a further 2 days. Other neurons that lacked HB9 expression were also present. (E) Coexpression of HB9 and *Lhx3* in neurons in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M). Cells that expressed *Lhx3* alone were V2 interneurons. (F) Coexpression of HB9 and *Isl1* in motor neurons in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M). (G) HB9 and *Lim1* were coexpressed in a small number of neurons in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M).
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Cells that expressed *Lim1* alone were interneurons. (H) Coexpression of *Chx10* and *Lhx3* in V2 interneurons in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M).

[0020] FIG. 4 illustrates eGFP-labeled motor neurons in the spinal cords of transgenic mouse embryos. (A) Construct for generation of *mHB9-Gfp1b* transgenic mouse line. (B)

- 5 The pattern of enhanced green fluorescent protein (eGFP) expression in an E10.5 *mHB9-Gfp1b* mouse embryo. eGFP was highly expressed in the ventral spinal cord and in motor nerves extending from the spinal cord. (C) eGFP expression was detected in motor neuron cell bodies and dendrites in the ventral horn of E10.5 *mHB9-Gfp1b* embryos. eGFP expression was also detected in motor neuron axons exiting the spinal cord *via* the ventral
- 10 root. In this line, at E10.5, but not later, very low expression was detected in dorsal root ganglion neurons (<20-fold that in motor neurons) and a subset of ventral interneurons (arrows in FIGS. 4C and 4E). (D) The pattern of HB9 and eGFP expression in forelimb-level spinal cord of *mHB9-Gfp1b* embryos at the time when first post-mitotic motor neurons were generated (E9.5). eGFP expression mimicked that of HB9 in motor neuron cell bodies. (E-
- 15 G) The pattern of HB9 and eGFP expression in thoracic spinal cord of E10.5 *mHB9-Gfp1b* embryos. eGFP was coexpressed with HB9 in motor neurons. Note that newly-post-mitotic motor neurons located close to the ventricular zone expressed lower levels of eGFP than did more mature motor neurons in lateral regions of the spinal cord.

[0021] FIG. 5 depicts eGFP-labeled motor neurons derived *in vitro* from HBG ES

20 cells. (A) HB9⁺, Isl1⁺ motor neurons in embryoid bodies (EBs) grown for 5 days, in the presence of RA, expressed eGFP in cell bodies and axons. (B) The number of eGFP⁺ motor neurons increased upon exposure to Hh-Ag1.3 (1 μ M). (C) Quantification of eGFP⁺ motor neurons in EBs grown for 5 days in the presence of RA and increasing concentrations of Hh-Ag1.3 (0 to 2.2 μ M). At 2.2 μ M Hh-Ag1.3, 22.5% of cells in EBs expressed eGFP. At

25 higher concentrations (10 μ M), Hh-Ag1.3 became toxic for cells differentiating in EBs. The data point marked as "-1000" refers to a culture of EBs grown in the presence of 1 μ M Hh-Ag1.3, but in the absence of RA. (D) Bright-field and fluorescence images showing eGFP expression in EBs grown for 5 days in the presence of RA and Hh-Ag1.3 (1 μ M). (E) Phase and fluorescence images showing eGFP expression in embryoid bodies grown for 5 days in

30 the presence of RA and Hh-Ag1.3 (1 μ M), and plated on a matrigel substrate for a further 2 days. Many eGFP⁺ motor axons emerged from these aggregates. (F) Phase and fluorescence

images showing that eGFP labels neurites extending from motor neurons. (G, H) Coexpression of HB9, eGFP, and choline acetyltransferase (ChAT) in ES-cell-derived motor neurons grown *in vitro* for 7 days. ChAT⁺ neurons that lacked HB9 and eGFP expression were probably interneurons.

5 [0022] FIG. 6 illustrates isolation of eGFP⁺ HBG3 ES-cell-derived motor neurons. (A) FACS analysis (cell-density plots) of HBG3 ES cells differentiated either in the presence of Hh-Ag1.3 (1 μ M) alone, RA (2 μ M) alone, or a combination of the two factors. The gate used for sorting motor neurons expressing high levels of eGFP is marked by a dashed rectangle. (B, C) Purified ES-cell-derived motor neurons, isolated by FACS sorting,
10 expressed high levels of eGFP. (D, E) eGFP⁺ neurons coexpressed HB9, and extended neurites when grown on a matrigel substrate for 24 h. (F, G) FACS-sorted ES-cell-derived motor neurons cultured in the presence of neurotrophic factors (NT3, BDNF, CNTF, and GDNF) survived for 3 days *in vitro*, and elaborated processes (F). Surviving motor neurons maintained expression of eGFP (G). (H, I) Most FACS-sorted ES-cell-derived motor neurons
15 cultured in the absence of neurotrophic factors died within the first 3 days *in vitro*. (J, K) FACS-sorted primary rostral cervical motor neurons behaved in a manner similar to that of ES-cell-derived motor neurons. In the presence of neurotrophic factors, neurons survived and elaborated eGFP⁺ processes. (L) Quantification of primary cervical motor neuron (cMN) and ES-cell-derived motor neuron (ES-MN) survival (percentage of plated cells) after 3 days in
20 culture in the presence (NT) or absence (control) of neurotrophic factors. mean \pm s.e.m.; 6 wells scored

[0023] FIG. 7 depicts integration of transplanted ES-cell-derived motor neurons *in vivo*. (A) Schematic diagram showing implantation of HBG3 ES-cell-derived motor-neuron-enriched EBs into Hamburger-Hamilton (HH) stage 15 chick spinal cord. Spinal cord of the
25 recipient chick embryo was suction-lesioned, and approximately 1/2-1 partially triturated EB was implanted into the ensuing space using a glass micropipette. (B) Bright-field/fluorescence image showing the position of eGFP⁺ motor neurons (motor-neuron-enriched EBs were transplanted at HH stage 17) in the thoracic and lumbar spinal cord of a host chick embryo at HH stage 27 (ventral view). Note eGFP⁺ axons emerging from the
30 spinal cord. (C, D) Position of FACS-sorted motor neurons (transplanted into an HH stage 16 embryo) in thoracic spinal cord at stage 27. Transverse section revealed eGFP⁺ motor

neurons in the ventral spinal cord (D). (E-J) Transverse sections, through HH stage 27 chick spinal cord at rostral cervical level, after unilateral transplant of motor-neuron-enriched EBs at stage 15. Motor neurons were found primarily in the ventral horn of the spinal cord, segregated from transplanted interneurons labeled by mouse-specific Lim2 antibodies (E).

- 5 Many ES-cell-derived motor neurons coexpressed eGFP and Lhx3 (F). Transplanted mouse ES-cell-derived motor neurons (G) and axons (arrow, H) were labeled by rodent-specific NCAM antibody, but they did not express the chick motor neuron marker protein, SC1 (I, J). Note that eGFP⁺, NCAM⁺ axons crossed the floor plate, but did not project out of the spinal cord (arrows, G, H). (K-N) Transverse sections of thoracic spinal cord at HH stage 27, which
- 10 had received transplants of caudalized EBs (grown in the presence of RA (2 μ M) and anti-Hh antibody (5E1, 30 μ g/ml)), at HH stage 16. No mouse-derived motor neurons were detected, either by eGFP expression (K) or by mouse-specific HB9 antibodies (L). In contrast, many mouse-derived NCAM⁺ (M) and Lim2⁺ (N) neurons were present. (O-Q) Transverse sections, through HH stage 27 chick spinal cord at thoracic (O, P) or lumbar (Q) levels,
- 15 which had received transplants of motor-neuron-enriched EBs at HH stage 16-17. eGFP⁺ motor neuron cell bodies were concentrated in the ventral spinal cord. Some ectopic eGFP⁺ motor neurons in grafted tissue remained trapped within the lumen of the spinal cord. eGFP⁺ axons exited the spinal cord, primarily *via* the ventral root, and projected along all major nerve branches that supply axial (O-Q), body wall (O, P), and dorsal and ventral limb (Q)
- 20 muscle targets. The pathway of all peripheral axons was detected by neurofilament (NF) expression. Note the absence of eGFP⁺ axons in the ventromedially-oriented nerves occupied by preganglionic motor axons.

- [0024] FIG. 8 illustrates synaptic differentiation of ES-cell-derived motor neurons *in vivo*. (A) Wholemound preparation of HH stage 35 chick embryonic rib cage. ES-cell-
- 25 derived eGFP⁺ axons innervated intercostal muscles. (B, C) Coexpression of synaptobrevin (Syb) and vesicular ACh transporter (VAChT) in the terminals of eGFP⁺ axons at the site of nerve contact with muscle. The anti-Syb and VAChT antibodies recognized mouse proteins, but not chick proteins. (D) Expression of neurofilament (NF) and eGFP in fine nerve branches that supply the intercostal muscles. Note that some eGFP⁺ axons lacked NF
- 30 expression. The terminals of eGFP⁺ axons coincided with ACh receptor clusters, as defined by α -bungarotoxin (α BTX) expression. (E) Coincidence of synaptotagmin expression and

α BTX labeling at the terminals of eGFP⁺ motor axons. (F) Coincidence of Syb expression and α BTX labeling at the terminals of eGFP⁺ motor axons.

[0025] FIG. 9 shows that caudalized ES cells grown on PA6 cells differentiate into motor neurons. (A, B) ES cells grown on PA6 cells for 10 days did not differentiate into HB9⁺ motor neurons (A). Addition of 2 μ M RA to the culture medium on day 2 resulted in the generation of a large number of HB9⁺ motor neurons, as well as Olig2-expressing progenitors (B). (C) Quantification of motor-neuron-containing ES cell colonies grown on PA6 cells for 10 days in the absence or presence of 2 μ M RA. mean \pm s.d.; 3 wells

[0026] FIG. 10 shows that motor neuron progenitors in EBs incorporate BrdU. (A-C) BrdU labeling (20 μ g/ml) for 1 h before fixation revealed large numbers of BrdU⁺, Olig2⁺ progenitors in EBs grown for 3 days in the presence of RA and Hh-Ag1.3. HB9⁺ motor neurons in EBs grown for 5 days did not incorporate BrdU (B), but a small number of BrdU⁺, Olig2⁺ progenitors were still present (C).

DETAILED DESCRIPTION OF THE INVENTION

[0027] During development, neural cells are generated from embryonic stem cells through a series of developmental steps involving the regulation of signalling factors that impart to the stem cells a particular directional or positional character. Initially, ectodermal cells may acquire a rostral or caudal neural character, and differentiate into rostral or caudal neural progenitor cells, through the regulation of rostralizing and/or caudalizing embryonic signalling factors. Thereafter, the neural progenitor cells may differentiate further, acquiring the identity of a subtype of progenitor cells, or becoming a fully-differentiated neural cell, in response to the action of dorsalizing and/or ventralizing embryonic signalling factors.

[0028] For example, a motor neuron may develop from an ES cell in response to a variety of signalling factors. Initially, the regulation of BMP, FGF, and Wnt signalling will cause ectodermal cells to acquire a rostral neural character. The resulting rostral neural progenitors then acquire a spinal positional identity in response to caudalizing signals that include retinoic acid (RA). The specification of motor neuron progenitor identity by SHh signalling is mediated through the establishment of a dorsoventral pattern of expression of homeodomain (HD) and basic helix-loop-helix (bHLH) transcription factors. At a relatively high level of SHh signalling, a discrete progenitor domain – termed the pMN domain – is

established. Within this domain, cells appear committed to the generation of motor neurons, rather than interneurons. Progenitor cells in the pMN domain are characterized by the expression of two HD proteins, Pax6 and Nkx6.1, and a bHLH protein, Olig2. Each of these three transcription factors has an essential role in the specification of spinal motor neuron identity. Moreover, their combined activities drive motor neuron progenitors out of the cell cycle, and direct the expression of downstream transcription factors (notably the HD protein, HB9) that consolidate the identity of post-mitotic motor neurons.

[0029] Spinal motor neurons play an essential role in the control of motor behavior, and their degeneration underlies many neurological disorders. Inductive signals and transcription factors involved in motor-neuron generation have been identified, suggesting that insights into normal development can be used to direct stem cells to a motor neuron fate in a rational manner. The inventors demonstrate herein that mouse embryonic stem (ES) cells can be induced by extrinsic signalling factors to differentiate initially into spinal progenitor cells, and subsequently into spinal motor neurons. The molecular pathway of motor neuron generation from ES-cell-derived neural progenitors recapitulates that deployed *in vivo*. ES-cell-derived motor neurons introduced into the embryonic spinal cord populate the ventral horn, extend axons into the periphery, and undergo synaptic differentiation at sites of contact with target skeletal muscles. Thus, inductive signals involved in normal pathways of neurogenesis can direct ES cells to form specific classes of CNS neurons.

[0030] Accordingly, the present invention provides a method for inducing differentiation of an embryonic stem cell into a differentiated neural cell, and a differentiated neural cell produced by this method. As used herein, the term "inducing differentiation of an embryonic stem cell" means activating, initiating, or stimulating an embryonic stem cell to undergo differentiation – the cellular process by which cells become structurally and functionally specialized during development. Embryonic stem (ES) cells are cultured cells, derived from the pluripotent inner cell mass of blastocyst stage embryos, that are capable of replicating indefinitely. In general, ES cells have the potential to differentiate into other cells (*i.e.*, they are pluripotent); thus, they may serve as a continuous source of new cells. The embryonic stem cell of the present invention may be obtained from any animal, but is preferably obtained from a mammal (*e.g.*, human, domestic animal, or commercial animal). In one embodiment of the present invention, the embryonic stem cell is a murine embryonic

stem cell. In another, preferred, embodiment, the embryonic stem cell is obtained from a human.

[0031] As further used herein, a "differentiated neural cell" is a partially-differentiated or fully-differentiated cell of the central nervous system (CNS) or peripheral nervous system (PNS), and includes, without limitation, a fully-differentiated ganglion cell, glial (or neuroglial) cell (*e.g.*, an astrocyte, oligodendrocyte, or Schwann cell), granule cell, neuronal cell (or neuron), and stellate cell, as well as any neural progenitor cells thereof. Progenitor cells are parent cells which, during development and differentiation, give rise to a distinct cell lineage by a series of cell divisions. Neural progenitor cells, for example, are committed to a cell lineage that will develop, eventually, into fully-differentiated neural cells of the CNS or PNS; however, such neural progenitor cells may not yet be dedicated to a particular type, or subclass, of neural cell. Initially, neural progenitor cells may acquire a rostral character (*e.g.*, rostral neural progenitor cells), followed by a positional identity (*e.g.*, cerebellar progenitor cells, cerebral progenitor cells, or spinal progenitor cells). Such partially-differentiated neural progenitor cells may become committed to a cell line that will differentiate into a specific type of neural cell (*e.g.*, progenitor cells of astrocytes, ganglion cells, granule cells, neurons, oligodendrocytes, Schwann cells, or stellate cells), and, thereafter, give rise to fully-differentiated neural cells (*e.g.*, astrocyte, ganglion cells, granule cells, neurons (*e.g.*, dorsal root ganglion (DRG) neurons, motor neurons, peripheral neurons, spinal cord neurons, or ventral interneurons), oligodendrocytes, Schwann cells, or stellate cells). Accordingly, the partially-differentiated neural cell of the present invention may be a cell, with a neural identity, that has acquired a directional or positional character, or that has committed to developing into a particular class of neural cell, but is not a fully-differentiated neural cell.

[0032] Additionally, as used herein, a "neuronal cell", or "neuron", is a conducting or nerve cell of the nervous system that typically consists of a cell body (perikaryon) that contains the nucleus and surrounding cytoplasm; several short, radiating processes (dendrites); and one long process (the axon), which terminates in twig-like branches (telodendrons), and which may have branches (collaterals) projecting along its course. Examples of neurons include, without limitation, neurons of the dorsal root ganglia (DRG),

motor neurons, peripheral neurons, sensory neurons, neurons of the spinal cord, and ventral interneurons, all of which may be cholinergic, dopaminergic, or serotonergic.

[0033] Differentiation of ES cells into partially- or fully-differentiated neural cells may be detected by known cellular or molecular procedures, and assays and methods disclosed herein. In one embodiment of the present invention, the differentiated neural cell is a motor neuron (*e.g.*, a post-mitotic motor neuron or a spinal motor neuron). In another embodiment of the present invention, the differentiated neural cell is genetically marked, in that it expresses enhanced green fluorescent protein (eGFP), as described herein. The eGFP genetic marker may be particularly useful in a method for isolating and/or purifying a population of differentiated neural cells, or in a method for monitoring repopulation of a spinal cord, as described below.

[0034] The method of the present invention comprises contacting an embryonic stem cell with a rostralizing or caudalizing embryonic signalling factor, and a dorsalizing or ventralizing embryonic signalling factor, in amounts effective to produce a differentiated neural cell. As used herein, a "factor" shall include a protein, polypeptide, peptide, nucleic acid (including DNA or RNA), antibody, Fab fragment, F(ab')₂ fragment, molecule, compound, antibiotic, drug, and any combinations thereof. A Fab fragment is a univalent antigen-binding fragment of an antibody, which is produced by papain digestion. A F(ab')₂ fragment is a divalent antigen-binding fragment of an antibody, which is produced by pepsin digestion.

[0035] As further used herein, an "embryonic signalling factor" is a factor that carries information (a signal) to cells in an embryo during the course of development and differentiation. Such information, for example, may relate to the direction or position of cells in an embryo, and may determine the path of differentiation that will be followed by those cells that receive the information. The embryonic signalling factor of the present invention may be, for example, a morphogenic agent or a neural factor. Examples of embryonic signalling factors for use in the present invention, include, without limitation, retinoic acid (RA), bone-morphogenic proteins (BMPs) (*e.g.*, BMP1 through to BMP7, including BMP2 and BMP4), fibroblast growth factors (FGFs) (*e.g.*, alpha FGF, FGF8, FGF10, HBGF1, basic FGF, beta FGF, and HBGF), a Wnt (*e.g.*, Wnt5a), Hedgehog proteins (*e.g.*, Sonic Hedgehog

(SHh) and Indian Hedgehog (IHh)), agonists of Hedgehog signalling (*e.g.*, Hh-Ag1.3), and other activators of a Hedgehog signalling pathway.

[0036] Additionally, as used herein, the term "rostralizing embryonic signalling factor" refers to a factor that induces, or contributes to, development in the direction of the top, or superior position, of an object or subject. Contrastingly, a "caudalizing embryonic signalling factor" is a factor that induces, or contributes to, development in the direction of the bottom, tail, or inferior position of an object or subject. Embryonic signalling factors that contribute to the assignment of rostrocaudal identity may result in the differentiation of ES cells into neural progenitor cells. Examples of rostralizing and caudalizing embryonic signalling factors for use in the present invention, include, without limitation, RA, BMP, FGF, and Wnt. RA is known to play a role in assigning rostrocaudal identity during development. Recently, it has been shown that Wnt signalling also plays a role in assigning rostrocaudal identity (Nordström *et al.*, Progressive induction of caudal neural character by graded Wnt signaling. *Nat. Neurosci.*, 5(6):525-32, 2002). Thus, in one embodiment of the present invention, the rostralizing embryonic signalling factor is RA or Wnt. In another embodiment of the invention, the caudalizing embryonic signalling factor is RA or Wnt.

[0037] The term "dorsalizing embryonic signalling factor", as used herein, refers to a factor that induces, or contributes to, development in the direction of the back or posterior position of an object or subject. The term "ventralizing embryonic signalling factor", as used herein, is a protein or other agent that induces, or contributes to, development in the direction of the front or anterior position of an object or subject. Embryonic signalling factors that contribute to the assignment of dorsoventral identity may result in the differentiation of ES cells into neural progenitor cells or into fully-differentiated neural cells. Examples of dorsalizing and ventralizing embryonic signalling factors for use in the present invention include, without limitation, BMP, Wnt, Hedgehog proteins, agonists of Hedgehog signalling, and other activators of a Hedgehog signalling pathway. SHh signalling, for example, is known to provide spinal progenitor cells with the identity of motor neuron progenitor cells.

[0038] In one embodiment of the present invention, the dorsalizing embryonic signalling factor is BMP or Wnt. In another embodiment of the present invention, the ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway. As used herein, "Hedgehog signalling" refers to biochemical signalling of any member of the

Hedgehog family of proteins (*e.g.*, Sonic Hedgehog (SHh) and Indian Hedgehog (IHh)), particularly signalling that relates to direction or position of cells in an embryo during development and differentiation. An "activator" of a Hedgehog signalling pathway includes a factor that effects or produces Hedgehog signalling, and a factor that induces, initiates, or stimulates Hedgehog signalling in the Hedgehog protein pathway. By way of example, the activator of Hedgehog signalling may be a Hedgehog protein (*e.g.*, SHh or IHh) or an agonist of Hedgehog signalling (*e.g.*, Hh-Agl.3). An "agonist" of Hedgehog signalling, as used herein, is a factor that has affinity for, and stimulates physiologic activity at, cell receptors normally stimulated by naturally-occurring substances, such that Hedgehog signalling in the cell is initiated, stimulated, or induced.

[0039] The embryonic signalling factors, BMP, FGF, Wnt, SHh, and IHh, are proteins. As used herein, "BMP" includes both a BMP protein and a BMP analogue; "FGF" includes both an FGF protein and an FGF analogue; "Wnt" includes both a Wnt protein and a Wnt analogue; "SHh" includes both an SHh protein and an SHh analogue; and "IHh" includes both an IHh protein and an IHh analogue. Unless otherwise indicated, "protein" shall include a protein, protein domain, polypeptide, or peptide. A particular protein's "analogue", as used herein, is a functional variant of the protein, having that protein's biological activity and 60% or greater (preferably, 70% or greater) amino-acid-sequence homology with the protein. An "analogue" includes a variant of the protein that has a homologous three-dimensional conformation. As further used herein, the term "biological activity" refers to the signalling activity of the BMP, FGF, Wnt, SHh, or IHh protein during development and differentiation, as described below.

[0040] Additionally, as used herein, "conservative substitutions" are those amino acid substitutions which are functionally equivalent to the substituted amino acid residue, either because they have similar polarity or steric arrangement, or because they belong to the same class as the substituted residue (*e.g.*, hydrophobic, acidic, or basic). The term "conservative substitutions", as defined herein, includes substitutions having an inconsequential effect on the ability of a protein of the present invention to effect signalling during development and differentiation.

[0041] As discussed herein, BMP, FGF, Wnt, SHh, and IHh are proteins. In contrast, RA, or vitamin A, is an aldehyde molecule that is believed to be a morphogen. RA is readily

available; it may be obtained, for example, from Sigma Chemical Co. (St. Louis, MO). The other factors of the present invention may be produced synthetically or recombinantly, or isolated from native cells. Preferably, proteins are produced recombinantly, using conventional techniques and cDNA encoding the proteins. SHh and IHh (as well as Hh-Ag1.3) also may be obtained from Curis, Inc. (Cambridge, MA).

[0042] The method of the present invention comprises contacting an embryonic stem cell with a rostralizing and/or caudalizing embryonic signalling factor and a dorsalizing or ventralizing embryonic signalling factor. The embryonic signalling factors are provided in amounts effective to produce a differentiated neural cell. These amounts may be readily determined by the skilled artisan, based upon known procedures and methods disclosed herein. In a preferred embodiment of the present invention, the embryonic stem cell is contacted with the rostralizing and/or caudalizing embryonic signalling factor prior to contact with the dorsalizing or ventralizing embryonic signalling factor.

[0043] The inventors have demonstrated herein that neurons cultured in the presence of neurotrophic factors survive and elaborate processes. Accordingly, in another embodiment, the method of the present invention further comprises the step of contacting the embryonic stem cell with at least one neurotrophic factor, following contact with the dorsalizing or ventralizing embryonic signalling factor. As used herein, a "neurotrophic factor" is a factor involved in the nutrition or maintenance of neural tissue. Neurotrophic factors, may further the development and differentiation of committed neural progenitor cells, or they may induce or enhance the growth and survival of differentiated neural cells. A classic example of a neurotrophic factor is NGF (nerve growth factor). Other examples of neurotrophic factors for use in the present invention include, without limitation, GDNF, NGF, NT3, CNTF, and BDNF. These factors may be obtained from R&D Systems, Inc. (Minneapolis, MN). The neurotrophic factors of the present invention are provided in amounts effective to produce a fully-differentiated neural cell of the CNS or PNS (e.g., a neuron). This amount may be readily determined by the skilled artisan, based upon known procedures and methods disclosed herein.

[0044] In the method of the present invention, embryonic stem (ES) cells may be contacted with effective amounts of embryonic signalling factors *in vitro*, or *in vivo* in a subject. The embryonic signalling factors may be contacted with an ES cell by introducing

the factors into the cell. Where contacting is effected *in vitro*, the factors may be added directly to the culture medium, as described herein. Alternatively, the factors may be contacted with an ES cell *in vivo* in a subject by introducing the factors into the subject (e.g., by introducing the factors into cells of the subject), or by administering the factors to the subject. The subject may be any embryonic or developed animal, but is preferably a mammal (e.g., a human, domestic animal, or commercial animal). More preferably, the subject is a human. Where the embryonic signalling factors are contacted with the ES cell *in vivo*, the subject is preferably an embryo. However, it is within the confines of the present invention for the ES cells to be transplanted into a fully-grown human or animal subject, and for the embryonic signalling factors then to be administered to the human in order to effect differentiation of the ES cells into differentiated neural cells *in vivo* in the subject.

[0045] The factors of the present invention may be contacted with an ES cell, either *in vitro* or *in vivo* in a subject, by known techniques used for the introduction and administration of proteins, nucleic acids, and other drugs, including, for example, injection and transfusion. When target ES cells are localized to a particular portion of a subject, it may be desirable to introduce the factors directly to the ES cells, by injection or by some other means (e.g., by introducing the factors into the blood or another body fluid).

[0046] Where the embryonic signalling factor is a protein or other molecule, it may be introduced into an ES cell directly, in accordance with conventional techniques and methods disclosed herein. Additionally, a protein embryonic signalling factor may be introduced into an ES cell indirectly, by introducing into the ES cell a nucleic acid encoding the factor, in a manner permitting expression of the protein inhibitor. The factor may be introduced into ES cells, *in vitro* or *in vivo*, using conventional procedures known in the art, including, without limitation, electroporation, DEAE Dextran transfection, calcium phosphate transfection, monocationic liposome fusion, polycationic liposome fusion, protoplast fusion, creation of an *in vivo* electrical field, DNA-coated microprojectile bombardment, injection with recombinant replication-defective viruses, homologous recombination, *in vivo* gene therapy, *ex vivo* gene therapy, viral vectors, and naked DNA transfer, or any combination thereof. Recombinant viral vectors suitable for gene therapy include, but are not limited to, vectors derived from the genomes of such viruses as retrovirus, HSV, adenovirus, adeno-associated virus, Semiliki Forest virus, cytomegalovirus, and vaccinia virus. The amount of

nucleic acid to be used is an amount sufficient to express an amount of protein factor effective to produce a differentiated neural cell. These amounts may be readily determined by the skilled artisan. It is also within the confines of the present invention that a nucleic acid encoding a protein embryonic signalling factor may be introduced into suitable ES cells *in vitro*, using conventional procedures, to achieve expression of the protein factor in the ES cells. ES cells expressing protein embryonic signalling factor then may be introduced into a subject to produce a differentiated neural cell *in vivo*.

[0047] In accordance with the method of the present invention, embryonic signalling factors may be administered to a human or animal subject by known procedures, including, without limitation, oral administration, parenteral administration, and transdermal administration. Preferably, the factors are administered parenterally, by intracranial, intraspinal, intrathecal, or subcutaneous injection. The factors of the present invention also may be administered to a subject in accordance with any of the above-described methods for effecting *in vivo* contact between ES cells and embryonic signalling factors.

[0048] For oral administration, an embryonic signalling factor formulation may be presented as capsules, tablets, powders, granules, or as a suspension. The formulation may have conventional additives, such as lactose, mannitol, corn starch, or potato starch. The formulation also may be presented with binders, such as crystalline cellulose, cellulose derivatives, acacia, corn starch, or gelatins. Additionally, the formulation may be presented with disintegrators, such as corn starch, potato starch, or sodium carboxymethylcellulose. The formulation also may be presented with dibasic calcium phosphate anhydrous or sodium starch glycolate. Finally, the formulation may be presented with lubricants, such as talc or magnesium stearate.

[0049] For parenteral administration (*i.e.*, administration by injection through a route other than the alimentary canal), an embryonic signalling factor may be combined with a sterile aqueous solution that is preferably isotonic with the blood of the subject. Such a formulation may be prepared by dissolving a solid active ingredient in water containing physiologically-compatible substances, such as sodium chloride, glycine, and the like, and having a buffered pH compatible with physiological conditions, so as to produce an aqueous solution, then rendering said solution sterile. The formulation may be presented in unit or multi-dose containers, such as sealed ampoules or vials. The formulation may be delivered

by any mode of injection, including, without limitation, epifascial, intracapsular, intracranial, intracutaneous, intrathecal, intramuscular, intraorbital, intraperitoneal, intraspinal, intrasternal, intravascular, intravenous, parenchymatous, subcutaneous, or sublingual.

[0050] For transdermal administration, an embryonic signalling factor may be

5 combined with skin penetration enhancers, such as propylene glycol, polyethylene glycol, isopropanol, ethanol, oleic acid, *N*-methylpyrrolidone, and the like, which increase the permeability of the skin to the factor, and permit the factor to penetrate through the skin and into the bloodstream. The factor/enhancer compositions also may be further combined with a polymeric substance, such as ethylcellulose, hydroxypropyl cellulose, ethylene/vinylacetate,
10 polyvinyl pyrrolidone, and the like, to provide the composition in gel form, which may be dissolved in solvent, such as methylene chloride, evaporated to the desired viscosity, and then applied to backing material to provide a patch.

[0051] The present invention provides a method for inducing differentiation of ES cells into differentiated neural cells (including spinal motor neurons), and for purifying and
15 isolating the neural cells so generated using enhanced green fluorescent protein (eGFP) as a genetic marker. The method described herein for inducing differentiation of ES cells *in vitro* provides a source of neurons, or other neural cells of the CNS or PNS, that are available for transplant into a subject. Thus, this method is particularly useful for producing neural cells for use in treating conditions associated with nervous tissue degeneration.

20 **[0052]** The term "nervous tissue", as used herein, refers to tissue of the nervous system, which includes the differentiated neural cells of the present invention and progenitors thereof. As further used herein, "nervous tissue degeneration" means a condition of deterioration of nervous tissue, wherein the nervous tissue changes to a lower or less functionally-active form. It is believed that, by inducing differentiation of ES cells (*e.g.*, into
25 spinal motor neurons), the method described herein will be useful in repopulating various injured and/or degenerated nervous tissues (*e.g.*, repopulation of a spinal cord) in a subject, through production of differentiated neural cells and subsequent transplant thereof into a subject in need of such transplantation.

[0053] Accordingly, the present invention provides a method for treating nervous
30 tissue degeneration in a subject in need of treatment for nervous tissue degeneration, comprising inducing differentiation of ES cells into differentiated neural cells, in accordance

with the methods described herein, and transplanting the differentiated neural cells into the subject, thereby treating the nervous tissue degeneration. By way of example, the method of the present invention may comprise the following steps: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with a rostralizing and/or caudalizing embryonic signalling factor, in an amount effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor, in an amount effective to produce differentiated neural cells; (d) optionally, contacting the subclass of neural progenitor cells with at least one neurotrophic factor; and (e) transplanting the differentiated neural cells into the subject, in an amount effective to treat the nervous tissue degeneration. In one embodiment of the invention, the subject is an embryo. In another embodiment of the invention, the subject is a human. Preferably, the subject has nervous tissue degeneration.

[0054] Nervous tissue degeneration may arise in the central nervous system (CNS) or peripheral nervous system (PNS), and may be caused by, or associated with, a variety of disorders, conditions, and factors, including, without limitation, primary neurologic conditions (*e.g.*, neurodegenerative diseases), CNS and PNS traumas and injuries, and acquired secondary effects of non-neural dysfunction (*e.g.*, neural loss secondary to degenerative, pathologic, or traumatic events). Examples of CNS traumas include, without limitation, blunt trauma, hypoxia, and invasive trauma. Examples of acquired secondary effects of non-neural dysfunction include, without limitation, cerebral palsy, congenital hydrocephalus, muscular dystrophy, stroke, and vascular dementia, as well as neural degeneration resulting from any of the following: an injury associated with cerebral hemorrhage, developmental disorders (*e.g.*, a defect of the brain, such as congenital hydrocephalus, or a defect of the spinal cord, such as spina bifida), diabetic encephalopathy, hypertensive encephalopathy, intracranial aneurysms, ischemia, kidney dysfunction, subarachnoid hemorrhage, trauma to the brain and spinal cord, treatment by such therapeutic agents as chemotherapy agents and antiviral agents, vascular lesions of the brain and spinal cord, and other diseases or conditions prone to result in nervous tissue degeneration.

[0055] In one embodiment of the present invention, the nervous tissue degeneration is a peripheral neuropathy in the PNS. As defined herein, the term "peripheral neuropathy" refers to a syndrome of sensory loss, muscle weakness, muscle atrophy, decreased deep-

tendon reflexes, and/or vasomotor symptoms. In a subject who has a peripheral neuropathy, myelin sheaths (or Schwann cells) may be primarily affected, or axons may be primarily affected. The peripheral neuropathy may affect a single nerve (mononeuropathy), two or more nerves in separate areas (multiple mononeuropathy), or many nerves simultaneously (polyneuropathy).

[0056] Examples of peripheral neuropathies that may be treated by the methods disclosed herein include, without limitation, peripheral neuropathies associated with acute or chronic inflammatory polyneuropathy, amyotrophic lateral sclerosis (ALS), collagen vascular disorder (e.g., polyarteritis nodosa, rheumatoid arthritis, Sjögren's syndrome, or systemic lupus erythematosus), diphtheria, Guillain-Barré syndrome, hereditary peripheral neuropathy (e.g., Charcot-Marie-Tooth disease (including type I, type II, and all subtypes), hereditary motor and sensory neuropathy (types I, II, and III, and peroneal muscular atrophy), hereditary neuropathy with liability to pressure palsy (HNPP), infectious disease (e.g., acquired immune deficiency syndrome (AIDS)), Lyme disease (e.g., infection with *Borrelia burgdorferi*), invasion of a microorganism (e.g., leprosy – the leading cause of peripheral neuropathy worldwide, after neural trauma), leukodystrophy, metabolic disease or disorder (e.g., amyloidosis, diabetes mellitus, hypothyroidism, porphyria, sarcoidosis, or uremia), neurofibromatosis, nutritional deficiencies, paraneoplastic disease, peroneal nerve palsy, polio, porphyria, postpolio syndrome, Proteus syndrome, pressure paralysis (e.g., carpal tunnel syndrome), progressive bulbar palsy, radial nerve palsy, spinal muscular atrophy (SMA), a toxic agent (e.g., barbitol, carbon monoxide, chlorobutanol, dapsone, emetine, heavy metals, hexobarbital, lead, nitrofurantoin, orthodinitrophenol, phenytoin, pyridoxine, sulfonamides, triorthocresyl phosphate, the vinca alkaloids, many solvents, other industrial poisons, and certain AIDS drugs (including didanosine and zalcitabine), trauma (including neural trauma – the leading cause of peripheral neuropathy, worldwide), and ulnar nerve palsy (Beers and Berkow, eds., *The Merck Manual of Diagnosis and Therapy*, 17th ed. (Whitehouse Station, NJ: Merck Research Laboratories, 1999) chap. 183). In a preferred embodiment of the present invention, the peripheral neuropathy is ALS or SMA.

[0057] In another embodiment of the present invention, the nervous tissue degeneration is a neurodegenerative disease. Examples of neurodegenerative diseases that may be treated by the methods disclosed herein include, without limitation, Alzheimer's

disease, amyotrophic lateral sclerosis (Lou Gehrig's Disease), Binswanger's disease, Huntington's chorea, multiple sclerosis, myasthenia gravis, Parkinson's disease, and Pick's disease.

[0058] It is also within the confines of the present invention for the method described
5 herein to be used to treat nervous tissue degeneration that is associated with a demyelinating condition. Examples of demyelinating conditions include, without limitation, acute disseminated encephalomyelitis (ADEM), acute transverse myelitis, acute viral encephalitis, adrenoleukodystrophy (ALD), adrenomyeloneuropathy, AIDS-vacuolar myelopathy, HTLV-associated myelopathy, Leber's hereditary optic atrophy, multiple sclerosis (MS), progressive
10 multifocal leukoencephalopathy (PML), subacute sclerosing panencephalitis, and tropical spastic paraparesis.

[0059] The differentiated neural cells of the present invention may be transplanted into a subject in need of treatment by standard procedures known in the art, as well as the methods described herein. By way of example, embryoid bodies (which may be derived from
15 pluripotent ES cells) may be induced with appropriate embryonic signalling factors (*e.g.*, RA and Hh-Ag1.3), to produce differentiated neural cells. At an appropriate time post-induction (*e.g.*, 3-4 days after induction), embryoid bodies (EBs) may be prepared for transplantation (*e.g.*, partially triturated), and then transplanted into a subject (*e.g.*, into the spinal cord of a chick, HH stage 15-17). To accommodate transplanted tissue, the subject may be suction-
20 lesioned prior to implantation. Approximately ½-1 EB (or an EB equivalent) then may be implanted into a segment spanning 2-5 somites at rostral cervical, caudal cervical, thoracic, or lumbar regions of the subject.

[0060] In one embodiment of the present invention, the differentiated neural cell is transplanted into the spinal cord of a subject, thereby repopulating the subject's spinal cord,
25 and the nervous tissue degeneration is a peripheral neuropathy associated with ALS or SMA. Where the transplanted neurons are spinal motor neurons, the rostralizing and caudalizing embryonic signalling factors are preferably retinoic acid, and the dorsalizing or ventralizing embryonic signalling factor is preferably an activator of a Hedgehog signalling pathway.

[0061] In the method of the present invention, differentiated neural cells are
30 transplanted into a subject in need of treatment in an amount effective to treat the nervous tissue degeneration. As used herein, the phrase "effective to treat the nervous tissue

degeneration" means effective to ameliorate or minimize the clinical impairment or symptoms of the nervous tissue degeneration. For example, where the nervous tissue degeneration is a peripheral neuropathy, the clinical impairment or symptoms of the peripheral neuropathy may be ameliorated or minimized by alleviating vasomotor symptoms, increasing deep-tendon reflexes, reducing muscle atrophy, restoring sensory function, and strengthening muscles. The amount of differentiated neural cells effective to treat nervous tissue degeneration in a subject in need of treatment will vary depending upon the particular factors of each case, including the type of nervous tissue degeneration, the stage of the nervous tissue degeneration, the subject's weight, the severity of the subject's condition, the type of differentiated neural cells, and the method of transplantation. This amount may be readily determined by the skilled artisan, based upon known procedures, including clinical trials, and methods disclosed herein.

[0062] In view of the above-described method for inducing differentiation of ES cells into differentiated neural cells, the present invention further provides a method for producing differentiated neural cells, comprising the steps of: (a) obtaining or generating a culture of ES cells; (b) contacting the culture of ES cells with a rostralizing and/or caudalizing embryonic signalling factor, in an amount effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor, in an amount effective to produce a subclass of differentiated neural cells; and (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor. The present invention also provides a population of cells, comprising the differentiated neural cells produced by this method. In one embodiment, some or all of the cells express eGFP. Where the differentiated neural cells of the present invention are spinal motor neurons, the rostralizing and caudalizing embryonic signalling factors are preferably retinoic acid, and the dorsalizing or ventralizing embryonic signalling factor is preferably an activator of a Hedgehog signalling pathway.

[0063] In the method of the present invention, any of steps (b)-(d) may be performed *in vitro*, or *in vivo* in a subject. Following any *in vitro* steps, cells may be transplanted into a subject such that the remaining steps are performed *in vivo*. Accordingly, the method of the present invention further comprises the step of transplanting the neural progenitor cells or the differentiated neural cells into a subject. For example, a culture of ES cells may be contacted

with a rostralizing and/or caudalizing embryonic signalling factor *in vitro*, to produce neural progenitor cells. The neural progenitor cells so produced then may be transplanted into a subject, such that steps (c) and (d) are carried out *in vivo*.

[0064] In an alternative method, a culture of ES cells may be contacted with a rostralizing and/or caudalizing embryonic signalling factor *in vitro*, to produce neural progenitor cells. The neural progenitor cells then may be contacted with a dorsalizing or ventralizing embryonic signalling factor *in vitro*, to produce differentiated neural cells. Thereafter, the differentiated neural cells may be transplanted into a subject, such that step (d) is performed *in vivo*.

[0065] In the further alternative, a culture of ES cells may be contacted with a rostralizing and/or caudalizing embryonic signalling factor *in vitro*, to produce neural progenitor cells; the neural progenitor cells may be contacted with a dorsalizing or ventralizing embryonic signalling factor *in vitro*, to produce differentiated neural cells; and, optionally, the differentiated neural cells may be contacted with at least one neurotrophic factor *in vitro*. The differentiated neural cells then may be transplanted into a subject. In one embodiment of the present invention, the neurons are transplanted into the spinal cord of the subject.

[0066] The present invention further provides a method for repopulating a spinal cord in a subject, comprising the steps of: (a) obtaining or generating a culture of ES cells; (b) contacting the culture of ES cells with a rostralizing and/or caudalizing embryonic signalling factor, in an amount effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor, in an amount effective to produce differentiated neural cells; (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; and (e) transplanting the differentiated neural cells into a spinal cord of the subject. The differentiated neural cells are transplanted into the spinal cord of the subject in an amount that is effective to repopulate the spinal cord. This amount may be readily determined by the skilled artisan, based upon known procedures and methods disclosed herein.

[0067] In a preferred embodiment of the present invention, the rostralizing and caudalizing embryonic signalling factors are retinoic acid, and the dorsalizing or ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway. This method

of the present invention may be useful for treating subjects with nervous tissue degeneration, particularly peripheral neuropathies. Accordingly, in another embodiment of the present invention, the subject has a peripheral neuropathy. Preferably, the peripheral neuropathy is ALS or SMA. In yet another embodiment of the present invention, the transplanted
5 differentiated neural cells express eGFP, thereby facilitating the monitoring of spinal cord repopulation.

[0068] The present invention further provides neural progenitor cells produced by a method comprising the steps of: (a) obtaining or generating a culture of ES cells; (b) contacting the culture of ES cells with a rostralizing and/or caudalizing embryonic signalling
10 factor, in an amount effective to produce neural progenitor cells; and (c) optionally, contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor. In one embodiment of the present invention, the neural progenitor cells express enhanced green fluorescent protein (eGFP). Also provided are differentiated neural cells produced by a method comprising the steps of: (a) obtaining or generating a culture of
15 embryonic stem cells; (b) contacting the culture of embryonic stem cells with a rostralizing and/or caudalizing embryonic signalling factor, in an amount effective to produce neural progenitor cells; (c) contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor, in an amount effective to produce differentiated neural cells; and (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor.
20 In one embodiment of the invention, the differentiated neural cells express eGFP.

[0069] Because the selective degeneration of specific classes of CNS neurons underlies many neurological disorders, research into the growth, survival, and activity of neurons remains a priority. Unfortunately, however, live neurons are not readily available for such studies. For this reason, the present invention will be of particular importance to
25 researchers in the fields of neuroscience and neurology, as it provides a potentially-unlimited source of neural cells to be studied. Accordingly, the present invention also provides for uses of the above-described neural progenitor cells and differentiated neural cells in particular areas of research.

[0070] The neural progenitor cells and differentiated neural cells of the present
30 invention will be useful in the analysis of neuron (particularly, motor neuron) development, function, and death – research which is critical to a complete understanding of motor neuron

disease. Furthermore, the neural progenitor cells and differentiated neural cells of the present invention will be useful in monitoring synaptic differentiation at sites of contact with target muscles. Finally, the neural progenitor cells and differentiated neural cells of the present invention will facilitate a direct comparison of normal, healthy motor neurons with
5 degenerated motor neurons carrying one of the mutations detected in ALS or SMA patients (e.g., mutations in the superoxide dismutase (SOD) or survival motor neuron protein (SMN) genes). For such a comparison, both the healthy and the diseased neural cells may be produced using well-known techniques and methods described herein. Alternatively, cells carrying SOD or SMN mutations may be isolated from living or dead patients who have ALS
10 or SMA.

[0071] As described herein, the inventors have constructed an ES-cell line from which living motor neurons could be identified by virtue of enhanced green fluorescent protein (eGFP) expression. A transgenic mouse line was generated in which an *eGFP* cDNA was expressed under the control of a 9-kB 5' region of the mouse *HB9* gene that confers
15 motor-neuron-specific transgene expression. Transgenic founder mice were screened by comparing the patterns of HB9 and eGFP expression. One mouse line, *mHB9-Gfp1b*, was found to express high levels of eGFP in the cell bodies of spinal motor neurons in E9.5 - P10 mice, in a pattern that paralleled that of endogenous HB9. In addition, eGFP expression was detected at high levels in the axons and dendrites of motor neurons. An ES-cell line (HBG3)
20 was derived from *mHB9-Gfp1b* transgenic mice; these cells transmitted the *eGfp* gene through the germ-line, and directed expression of eGFP in a similar motor-neuron-selective pattern.

[0072] Accordingly, the present invention further provides a transgenic non-human animal line containing embryonic stem (ES) cells for use in the methods of the present
25 invention, wherein the ES cells express eGFP. Although the non-human animal may be any suitable animal (e.g., cat, cattle, dog, horse, goat, rodent, and sheep), it is preferably a rodent. More preferably, the non-human animal is a rat or a mouse. The transgenic non-human animal of the present invention may be produced by a variety of techniques for genetically engineering transgenic animals, including those known in the art. In one embodiment of the
30 invention, the genome of the transgenic non-human animal comprises an enhanced green

fluorescent protein (eGFP) gene. An animal line established from this transgenic animal would contain, in its embryos, ES cells expressing eGFP.

[0073] As used herein, the term "transgenic non-human animal" refers to a genetically-engineered non-human animal, produced by experimental manipulation, whose genome has been altered by introduction of a transgene. As further used herein, the term "transgene" refers to a nucleic acid molecule (*e.g.*, DNA, a gene, or a fragment thereof) that has been introduced into the genome of an animal by experimental manipulation, wherein the introduced gene is not endogenous to the animal, or is a modified or mutated form of a gene that is endogenous to the animal. A modified or mutated form of an endogenous gene may be produced through human intervention (*e.g.*, by introduction of a point mutation, introduction of a frameshift mutation, deletion of a portion or fragment of the endogenous gene, insertion of a selectable marker gene, insertion of a termination codon, etc.).

[0074] A transgenic non-human animal may be produced by several methods involving human intervention, including, without limitation, introduction of a transgene into an embryonic stem cell, newly-fertilized egg, or early embryo of a non-human animal; integration of a transgene into a chromosome of the somatic and/or germ cells of a non-human animal; and any methods described herein. In a preferred embodiment of the present invention, the transgenic non-human animal is produced by introduction of a transgene into an ES cell.

[0075] By way of example, the transgenic mouse line of the present invention may be established by pronucleus injection of a construct that uses a fragment (*e.g.*, ~9 kB) comprising the 5' upstream region of the murine *HB9* gene (Arber *et al.*, Requirement for the homeobox gene Hb9 in the consolidation of motor neuron identity. *Neuron*, 23:659-764, 1999), followed by a 5' splice substrate (Choi *et al.*, A generic intron increases gene expression in transgenic mice. *Mol. Cell Biol.*, 11:3070-74, 1991), an eGFP gene, and a bovine growth hormone polyadenylation signal. ES-cell lines then may be derived from *mHB9-Gfp1b* heterozygous blastocysts, as previously described (Abbondanzo *et al.*, Derivation of embryonic stem cell lines. *Methods Enzymol.*, 225:803-23, 1993). A genetic line may be selected based upon its capacity to integrate into developing mouse blastocysts and its capacity for germline transmission. Embryonic stem cells then may be isolated from the transgenic animal, for use in the methods described herein.

[0076] In one embodiment of the present invention, the transgenic animal has a genome in which the superoxide dismutase (SOD) or survival motor neuron protein (SMN) gene is mutated (*e.g.*, an SOD1-G93S mutation) or has been selectively inactivated, resulting in a disruption in its endogenous SOD or SMN gene. As used herein, a "disruption" refers to a mutation (*i.e.*, a permanent, transmissible change in genetic material) in the SOD or SMN gene that prevents normal expression of functional SOD or SMN protein (*e.g.*, it results in expression of a mutant SOD or SMN protein; it prevents expression of a normal amount of SOD or SMN protein; or it prevents expression of SOD or SMN protein). Examples of a disruption include, without limitation, a point mutation, introduction of a frameshift mutation, deletion of a portion or fragment of the endogenous gene, insertion of a selectable marker gene, and insertion of a termination codon. As used herein, the term "mutant" refers to a gene (or its gene product) which exhibits at least one modification in its sequence (or its functional properties) as compared with the wild-type gene (or its gene product). In contrast, the term "wild-type" refers to the characteristic genotype (or phenotype) for a particular gene (or its gene product), as found most frequently in its natural source (*e.g.*, in a natural population). A wild-type animal, for example, expresses functional SOD or SMN protein.

[0077] Selective inactivation in the transgenic non-human animal of the present invention may be achieved by a variety of methods, and may result in either a heterozygous disruption (wherein one SOD allele or one SMN allele is disrupted, such that the resulting transgenic animal is heterozygous for the mutation) or a homozygous disruption (wherein both SOD or SMN alleles are disrupted, such that the resulting transgenic animal is homozygous for the mutation). In one embodiment of the present invention, the endogenous SOD or SMN gene of the transgenic animal is disrupted through homologous recombination with a nucleic acid sequence that encodes a region common to SOD or SMN gene products. By way of example, the disruption through homologous recombination may generate a knockout mutation in the SOD or SMN gene, particularly a knockout mutation wherein at least one deletion has been introduced into at least one exon of the SOD or SMN gene. Additionally, a disruption in the SOD or SMN gene may result from insertion of a heterologous selectable marker gene into the endogenous SOD or SMN gene.

[0078] One method for establishing a line of transgenic non-human animals expressing eGFP, and having a knockout mutation in the SOD or SMN gene, may comprise

the following steps: (a) generating an SOD or SMN targeting vector; (b) introducing the targeting vector into a recipient cell of a non-human animal, to produce a treated recipient cell; (c) introducing the treated recipient cell into a blastocyst of a non-human animal, to produce a treated blastocyst; (d) introducing the treated blastocyst into a pseudopregnant non-human animal; (e) allowing the transplanted blastocyst to develop to term; (f) identifying a transgenic non-human animal whose genome comprises a knockout disruption in its endogenous SOD or SMN gene; (g) breeding the transgenic non-human animal to obtain a transgenic non-human animal exhibiting decreased expression of SOD or SMN protein relative to wild-type; and (h) crossing the transgenic non-human animal with a transgenic non-human animal whose genome contains an eGFP gene, in order to obtain a transgenic non-human animal expressing eGFP and exhibiting decreased expression of SOD or SMN protein relative to wild-type. A transgenic non-human animal expressing eGFP may be obtained in accordance with methods described above. It is also within the confines of the present invention to provide a transgenic non-human animal that overexpresses SOD or SMN polypeptide.

[0079] The eGFP-expressing transgenic animal lines of the present invention provide sources of ES cells and tissues for transplantations, chimeras, and double-marked recombination experiments. The transgenic animal line of the present invention also provide a genetic model of motor neuron degeneration. For example, where the genome of an animal from the transgenic animal line carries a mutation in its SOD gene, it may be used as a pharmacological model to screen for agents that may be useful in treating motor neuron degeneration, particularly ALS. While this model would exhibit a slow onset of degeneration, results are expected to be dramatic. Additionally, where the transgenic animal's genome carries a mutation in its SMN gene, it may be used as a pharmacological model to screen for agents that may be useful in treating motor neuron degeneration, particularly SMA. This model is expected to exhibit a quicker onset of degeneration.

[0080] ES cells derived from the transgenic non-human animal line of the present invention may be used in the methods described herein, including differentiation *in vitro* or *in vivo*, and reintroduction into a subject. Furthermore, ES cells derived from a transgenic animal line that expresses eGFP and ES cells derived from a transgenic animal line that carries a mutation in the SOD or SMN gene may be crossed. The behavior of mutant ES

cells then may be followed by microscopic observation of developed animals or chimeric embryos in which cells and/or tissues express eGFP.

[0081] The present invention further provides a method for isolating a pure population of differentiated neural cells and/or purifying a population of differentiated neural cells, comprising the steps of: (a) obtaining or generating a culture of ES cells that express enhanced green fluorescent protein (eGFP); (b) contacting the culture of ES cells with a rostralizing and/or caudalizing embryonic signalling factor, in an amount effective to produce neural progenitor cells, wherein some or all of the neural progenitor cells also express eGFP; (c) contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor, in an amount effective to produce differentiated neural cells, wherein some or all of the differentiated neural cells also express eGFP; (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; (e) detecting expression of eGFP in the differentiated neural cells; and (f) isolating the differentiated neural cells that express eGFP. In one embodiment of the invention, the differentiated neural cells are motor neurons. ES cells that express eGFP may be obtained from the transgenic animal of the present invention, as described above, or made in accordance with other methods disclosed herein.

[0082] According to the method of the present invention, expression of eGFP may be detected in differentiated neural cells by either *in vitro* or *in vivo* assay. As used herein, "expression" refers to the transcription of the eGFP gene into at least one mRNA transcript, or the translation of at least one mRNA into an eGFP protein. The differentiated neural cells may be assayed for eGFP expression by assaying for eGFP protein, eGFP cDNA, or eGFP mRNA. The appropriate form of eGFP will be apparent based on the particular techniques discussed herein.

[0083] Differentiated neural cells may be assayed for eGFP expression, and eGFP expression may be detected in differentiated neural cells, using assays and detection methods well known in the art. Because eGFP provides a non-invasive marker for labeling cells in culture and *in vivo*, expression of eGFP is preferably detected in differentiated neural cells using imaging techniques, particularly bright-field, phase, and fluorescence imaging techniques, as disclosed herein. Differentiated neural cells expressing high levels of eGFP then may be isolated from a cell suspension by sorting (*e.g.*, by FACS sorting, using a

Beckman-Coulter Altra flow cytometer), based upon their eGFP fluorescence and forward light scatter, as described below.

[0084] Other methods also may be used to detect eGFP expression in the differentiated neural cells of the present invention. Examples of such detection methods include, without limitation, hybridization analysis, imaging techniques, immunological techniques, immunoprecipitation, radiation detection, Western blot analysis, and any additional assays or detection methods disclosed herein. For example, differentiated neural cells may be assayed for eGFP expression using an agent reactive with eGFP protein or eGFP nucleic acid. As used herein, "reactive" means the agent has affinity for, binds to, or is directed against eGFP. As further used herein, an "agent" shall include a protein, polypeptide, peptide, nucleic acid (including DNA or RNA), antibody, Fab fragment, F(ab')₂ fragment, molecule, compound, antibiotic, drug, and any combinations thereof. In one embodiment of the present invention, the agent reactive with eGFP is an antibody (*e.g.*, αGFP (Molecular Probes, Inc., Eugene, OR).

[0085] Following detection of eGFP expression in differentiated neural cells, the extent of eGFP expression in the cells may be measured or quantified, if desired, using one of various quantification assays. Such assays are well known to one of skill in the art, and may include immunohistochemistry, immunocytochemistry, flow cytometry, mass spectroscopy, Western blot analysis, or an ELISA for measuring amounts of eGFP protein.

[0086] The present invention further provides a method for identifying an agent for use in treating a condition associated with neuron (*e.g.*, motor neuron) degeneration. As used herein, the term "neuron degeneration" means a condition of deterioration of neurons, wherein the neurons change to a lower or less functionally-active form. Examples of conditions associated with neuron degeneration include peripheral neuropathies, demyelinating conditions, and the primary neurologic conditions (*e.g.*, neurodegenerative diseases), CNS and PNS traumas and injuries, and acquired secondary effects of non-neural dysfunction (*e.g.*, neural loss secondary to degenerative, pathologic, or traumatic events) described herein.

[0087] The method of the present invention comprises the steps of: (a) obtaining or generating a culture of embryonic stem cells; (b) contacting the culture of embryonic stem cells with an amount of retinoic acid effective to produce neural progenitor cells; (c)

activating a Hedgehog signalling pathway in the neural progenitor cells, to produce neurons, wherein some or all of the neurons are degenerated; (d) contacting the degenerated neurons with a candidate agent; and (e) determining if the agent enhances regeneration of some or all of the degenerated neurons. As used herein, the term "enhance regeneration" means
5 augment, improve, or increase partial or full growth (or regrowth) of a neuron (including neurites and the myelin sheath) that has degenerated. As further used herein, the term "growth" refers to an increase in diameter, length, mass, and/or thickness of a neuron (including neurites and the myelin sheath). Regeneration of the neuron may take place in neurons of both the central nervous system and the peripheral nervous system. In one
10 embodiment of the present invention, the agent enhances regeneration of degenerated motor neurons.

[0088] In the method of the present invention, degenerated neurons may be contacted with a candidate agent by any of the methods of effecting contact between factors (or agents) and cells, and any modes of introduction and administration, described herein. Regeneration,
15 and enhanced regeneration, of neurons may be measured or detected by known procedures, including Western blotting for myelin-specific and axon-specific proteins, electron microscopy in conjunction with morphometry, and any of the methods, molecular procedures, and assays known to one of skill in the art. In addition, growth of myelin may be assayed using the g-ratio – one measure of the integrity of the axon:myelin association. The g-ratio is
20 defined as the axonal diameter divided by the total diameter of the axon and myelin. This ratio provides a reliable measure of relative myelination for an axon of any given size (Bieri *et al.*, Abnormal nerve conduction studies in mice expressing a mutant form of the POU transcription factor, *SCIP. J. Neurosci. Res.*, 50:821-28, 1997). Numerous studies have documented that a g-ratio of 0.6 is normal for most fibers (Waxman and Bennett, Relative
25 conduction velocities of small myelinated and nonmyelinated fibres in the central nervous system. *Nature New Biol.*, 238:217, 1972).

[0089] In one embodiment of the present invention, genomic DNA in the degenerated neurons carries a mutation in an SOD or SMN gene. Such degenerated neurons may be isolated, for example, from a transgenic animal of the present invention, as described above,
30 whose genome contains a mutated SOD or SMN gene. In another embodiment of the invention, the degenerated neurons express enhanced green fluorescent protein (eGFP). Such

degenerated neurons may be isolated, for example, from a transgenic animal of the present invention; as described above, whose genome contains an eGFP gene. Degenerated neurons expressing both SOD and eGFP, or expressing both SMN and eGFP, may be produced by crossing ES cells containing an SOD or SMN mutation with ES cells containing an eGFP gene. It is expected that such neurons would allow for increased high-throughput drug screening.

[0090] The present invention is described in the following Examples, which are set forth to aid in the understanding of the invention, and should not be construed to limit in any way the scope of the invention as defined in the claims which follow thereafter.

Examples

Example 1 - ES-Cell Culture

[0091] Wild-type (MM13 or W9.5) or HB9::GFP transgenic-mouse-derived (HBG3) ES cells were grown on feeder layers of primary mouse embryonic fibroblasts in ES-cell medium (Dulbecco's Modified Eagle's Medium (DMEM) with 4500 mg/l glucose and 2250 mg/l Na-bicarbonate supplemented with 1x non-essential amino acids, 1x nucleosides (all from Specialty Media, Lavellette, NJ), 0.1 mM 2-mercaptoethanol (Sigma Chemical Co., St. Louis, MO)), 2 mM L-Glutamine (Gibco), 1x penicillin/streptomycin (Gibco BRL, Gaithersburg, MD), 15% FBS (HyClone, Logan, UT), and 1000 µ/ml LIF (Chemicon, Temecula, CA). ES-cell colonies were partially dissociated 2 days after plating, and cultured in DFK5 medium consisting of DF medium (DMEM/F12 supplemented with glucose (4500 mg/l, Sigma), 2 mM L-glutamine (Gibco), 1x penicillin/streptomycin (Gibco), 0.1 mM 2-mercaptoethanol (Sigma), 1x insulin-transferrin-selenium supplement (Gibco), 20 nM progesterone (Sigma), and 60 µM putrescine (Sigma) mixed 1:1 with ESK10 medium (ES-cell medium without LIF and FBS, but supplemented with 10% Knockout Serum Replacement (Gibco)). Medium was replaced 2 days later with fresh medium supplemented with retinoic acid (RA) (100 nM to 2 µM) (Sigma), Sonic Hedgehog protein (SHh-N; 300 nM) (Curis, Inc., Cambridge, MA), Hedgehog agonist Hh-Ag1.3 (1-1000 nM) (Curis, Inc.), or Hedgehog blocking antibody (SE1, 30 µg/ml). Embryoid bodies (EBs) were cultured for an additional 2-5 days. For some experiments, ES cells were grown on a monolayer of

stromal PA6 cell line (Riken Cell Bank, Japan), in DFK5 medium alone, or supplemented with 2 μ M RA, as described (Kawasaki *et al.*, Induction of midbrain dopaminergic neurons from ES cells by stromal cell-derived inducing activity. *Neuron*, 28:31-40, 2000).

[0092] Some HBG3 ES-cell-derived EBs were dissociated with a papain dissociation system (Worthington Biochemical Corp., Freehold, NJ) 4 days after induction, FACS sorted based on the endogenous eGFP expression, plated on Petri dishes or Terasaki wells coated with matrigel (BD), and cultured in F12 medium (Specialty Media) supplemented with 5% horse serum (Gibco), 1x B-27 supplement (Gibco), 1x insulin-transferrin-selenium supplement (Gibco), 20 nM progesterone (Sigma), and 60 μ M putrescine (Sigma). A mixture of neurotrophic factors (GDNF, NT3, CNTF, and BDNF) (10 ng/ml; R&D Systems, Inc., Minneapolis, MN) was included in selected experiments.

Example 2 - Immunocytochemistry

[0093] Embryoid bodies (EBs) were fixed with 4% paraformaldehyde, and sectioned on acryostat. For immunostaining, the following antibodies were used: rabbit α HB9, α Olig2, α Nkx2.2, α Lhx3, α Dbx1 (Pierani *et al.*, Control of interneuron fate in the developing spinal cord by the progenitor homeodomain protein Dbx1. *Neuron*, 29(2):367-84, 2001), α Irx3, α GFP (1:2000, Molecular Probes, Inc., Eugene, OR), α Sox1 (1:500) (Pevny *et al.*, Generation of purified neural precursors from embryonic stem cells by lineage selection. *Curr. Biol.*, 8:971-74, 1998), α Otx2 (1:1000) (Mallamaci *et al.*, OTX2 homeoprotein in the developing central nervous system and migratory cells of the olfactory area. *Mech. Dev.*, 58:165-78, 1996), α HoxC5 (Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001), and α Chx10; mouse α Pax7, α Pax6, α HB9, α Lim1, α Nkx6.1, α Nkx2.2, α En1, α Lim2 (mouse specific), α NCAM (mouse specific), α SC1 (chick specific), α NeuN (1:500, Chemicon), α Tuj1 (1:2000) (BabCo, Berkeley, CA), α Syb (mouse specific; 1:1000) (Synaptic Systems), α Syn (1:1000, Synaptic Systems), and α Neurofilament; guinea pig α -Isl1, anti-Olig2, and anti-Hoxc6 (Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001); goat α ChAT (1:200) (Chemicon), α VACHT (mouse specific; 1:1000) (Chemicon) (Novitsch *et al.*, Coordinate regulation of motor neuron subtype identity and pan-neuronal properties by the bHLH repressor Olig2. *Neuron*, 31:773-89, 2001, wherever not

specified). FITC-, Cy3-, and Cy5-conjugated secondary antibodies were used (Jackson ImmunoResearch). Images were obtained using a BioRad confocal microscope.

Example 3 - Generation of eGFP Transgenic Mouse Lines

[0094] A transgenic mouse line was established by pronucleus injection of a construct that used a ~9 kB fragment comprising the 5' upstream region of the murine *HB9* gene (Arber *et al.*, Requirement for the homeobox gene Hb9 in the consolidation of motor neuron identity. *Neuron*, 23:659-764, 1999), followed by a 5' splice substrate (Choi *et al.*, A generic intron increases gene expression in transgenic mice. *Mol. Cell Biol.*, 11:3070-74, 1991), an eGFP gene, and a bovine growth hormone polyadenylation signal. The ~9 kB NotI fragment of *HB9* is sufficient to direct eGFP expression to develop motor neurons in transgenic embryos examined from E9.5 to P10. In one transgenic line (*mHB9-Gfp1b*), the pattern of eGFP expression corresponded closely to the profile of expression of endogenous HB9. ES-cell lines were derived from *mHB9-Gfp1b* heterozygous blastocysts, as previously described (Abbondanzo *et al.*, Derivation of embryonic stem cell lines. *Methods Enzymol.*, 225:803-23, 1993). One selected line (HBG3) was tested for its capacity to integrate into developing mouse blastocysts and its capacity for germline transmission.

Example 4 - FACS Isolation of HBG3 ES-Cell-Derived Motor Neurons

[0095] HBG3 ES-cell embryoid bodies were dissociated using a papain dissociation system (Worthington Biochemical Corp.). Cells expressing high levels of eGFP were sorted from the cell suspension with a Beckman-Coulter Altra flow cytometer, based on their eGFP fluorescence and forward light scatter using the gate indicated in the plot. Typically, 20-30% of input cells expressed high levels of GFP. The analysis established that this eGFP-Hi cell group constituted a >95% pure population of motor neurons. The yield of a typical FACS sort is 3000-5000 GFP-Hi cells per EB.

Example 5 - In Vivo Transplantation of HBG3 ES-Cell-Derived Motor Neurons

[0096] EBs derived from HBG3 ES cells were induced with 2 μ M RA and 1 μ M Hh-Ag1.3. At 3-4 days after induction, EBs were partially triturated and implanted into chick HH stage 15-17 spinal cord, which was suction-lesioned to accommodate transplanted tissue. Approximately 1/2-1 EB equivalent was implanted into a segment spanning 2-5 somites at rostral cervical, caudal cervical, thoracic, or lumbar regions of embryonic chick spinal cord.

Some embryos were harvested at 3 days post-transplantation, fixed, sectioned on a vibratome, and stained with antibodies against eGFP and cell- or species-specific antibodies. Other embryos (receiving transplants into thoracic spinal cord) were harvested at 7 days. Their ribcages were dissected and stained as wholemount with rhodamine-conjugated α -bungarotoxin (2 μ g/ml, Molecular Probes, Inc.) and antibodies against GFP, Syb, Syn, or VACHT.

[0097] As set forth below, the results of the inventors' experiments indicate that retinoic acid has a caudalizing effect on neural progenitor cells in embryoid bodies (EBs), that motor neuron progenitor specification is Hedgehog-dependent in caudalized EBs, that eGFP-labeled, ES-cell-derived neurons may be successfully generated and isolated, and that eGFP-labeled, ES-cell-derived motor neurons will differentiate in embryonic spinal cord.

RA caudalizes neural progenitor cells in embryoid bodies.

[0098] To begin to examine the capacity of mouse ES cells to generate motor neurons, the inventors grew mouse ES cells in aggregate culture for 2 days, a procedure that results in the formation of embryoid bodies (EBs) (Bain *et al.*, Embryonic stem cells express neuronal properties in vitro. *Dev. Biol.*, 168:342-57, 1995). EBs consisting initially of ~1000 cells were maintained in suspension culture for a further 1-7 days, in the presence or absence of added factors.

[0099] Under control conditions, EBs grown for 2-3 days contained few, if any, cells that expressed the pan-neural progenitor marker, Sox1 (FIG. 1B) (Pevny *et al.*, Generation of purified neural precursors from embryonic stem cells by lineage selection. *Curr. Biol.*, 8:971-74, 1998; Wood *et al.*, Comparative expression of the mouse Sox1, Sox2 and Sox3 genes from pre-gastrulation to early somite stages. *Mech. Dev.*, 86:197-201, 1999). Similarly, EBs examined at 5 days contained few, if any, neurons, assessed by expression of the neuronal nuclear marker, NeuN, and the neuronal β -tubulin isoform recognized by MAb TuJ1 (FIG. 1B and data not shown). In contrast, exposure of EBs to RA (100 nM to 2 μ M) for 2-3 days resulted in the presence of many Sox1⁺ cells (FIG. 1B); by 5 days, many NeuN⁺, TuJ1⁺ post-mitotic neurons were detected (FIG. 1B and data not shown). Thus, EBs derived from mouse ES cells can be induced to generate neurons. See, also, Bain *et al.*, Embryonic stem cells

express neuronal properties in vitro. *Dev. Biol.*, 168:342-57, 1995; and Xian *et al.*, Peering into early neurogenesis with embryonic stem cells. *Trends Neurosci.*, 24:685-86, 2001).

[00100] The inventors next determined the rostrocaudal positional identity of the neural progenitor cells formed in RA-exposed EBs, by assaying expression of Otx2 and En1 – the coexpression of which is indicative of early midbrain positional identity (Davis *et al.*, Expression patterns of the homeobox-containing genes En-1 and En-2 and the proto-oncogene int-1 diverge during mouse development. *Genes Dev.*, 2:1736-44, 1988; Mallamaci *et al.*, OTX2 homeoprotein in the developing central nervous system and migratory cells of the olfactory area. *Mech. Dev.*, 58:165-78, 1996), and the expression of Hox proteins Hoxc5, Hoxc6, and Hoxc8 – markers of spinal cord positional identity (Belting *et al.*, Multiple phases of expression and regulation of mouse Hoxc8 during early embryogenesis. *J. Exp. Zool.*, 282:196-222, 1998; Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001). Cells in EBs exposed to RA for 3 days lacked Otx2 and En1 expression, and expressed Hoxc5 and Hoxc6, but not Hoxc8 (FIG. 1B and data not shown). This profile of neural Hox-c expression is indicative of cells with a rostral cervical spinal positional character (Belting *et al.*, Multiple phases of expression and regulation of mouse Hoxc8 during early embryogenesis. *J. Exp. Zool.*, 282:196-222, 1998; Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001).

[00101] Since exposure of ES cells to RA promotes both neural differentiation and the expression of spinal positional markers, this protocol does not permit a direct test of the caudalizing action of RA on ES-derived neural cells. Therefore, the inventors sought a means of neuralizing ES cells through an RA-independent pathway. To achieve this, the inventors used the PA6 stromal cell line as a source of neural inductive signals (Kawasaki *et al.*, Induction of midbrain dopaminergic neurons from ES cells by stromal cell-derived inducing activity. *Neuron*, 28:31-40, 2000). Exposure of mouse ES cells to PA6 cell activity for 5 days induced numerous Sox1⁺ cells, many of which coexpressed Otx2 and En1; in contrast, no cells expressed Hoxc5 or Hoxc6 (FIG. 1C and data not shown). Furthermore, by the sixth day, many Otx2⁺, TuJ1⁺ neurons were detected (FIG. 1C). Joint exposure of ES cells to PA6 cell activity and RA (2 μ M) still induced many Sox1⁺ cells; however, these cells

lacked Otx2 and En1 expression, and many now expressed Hoxc5 and Hoxc6 (FIG. 1C and data not shown). Take together, these findings indicate that, as *in vivo* (Muhr *et al.*, Convergent inductive signals specify midbrain, hindbrain, and spinal cord identity in gastrula stage chick embryos. *Neuron*, 23:689-702, 1999), neuralized ES cells of an initial midbrain-like positional character can be caudalized to a spinal-like positional character upon exposure to RA.

Motor neuron progenitor specification is Hh-dependent in caudalized embryoid bodies.

[00102] To examine whether the neural progenitors with spinal positional character, which were present in RA-exposed EBs, can differentiate into motor neuron progenitors, the inventors monitored the expression of HD and bHLH transcription factors that define progressive steps in the specification of motor neuron progenitor identity (FIG. 2A). The expression of Pax7, Irx3, Dbx1, Pax6, Nkx6.1, Nkx2.2, and Olig2 delineated distinct sets of neural progenitor cells positioned along the dorso-ventral axis of the neural tube (Briscoe *et al.*, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11:43-49, 2001; FIG. 2B). Spinal motor neuron progenitors were found within the pMN domain; they expressed Pax6, Nkx6.1, and Olig2, and excluded Pax7, Irx3, Dbx1, and Nkx2.2 (FIG. 2B and data not shown). EBs exposed to RA for 3 days contained many cells that expressed Pax7, Pax6, Irx3, and Dbx1, and few, if any, cells that expressed Nkx6.1, Olig2, or Nkx2.2 (FIGS. 2C and 2D and data not shown). This profile of transcription factor expression is characteristic of progenitor cells located in the dorsal and intermediate spinal cord that give rise to interneurons (FIG. 2B) (Lee *et al.*, The specification of dorsal cell fates in the vertebrate central nervous system. *Annu. Rev. Neurosci.*, 22:261-94, 1999).

[00103] The induction of motor neuron progenitors depends on SHh activity (Briscoe *et al.*, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11:43-49, 2001). Therefore, the inventors examined whether SHh signalling changes the profile of progenitor cell transcription factor expression in RA-exposed EBs. To activate the SHh signalling pathway, the inventors used a specific small molecule agonist of SHh signalling, Hh-Agl.3 (Frank-Kamenetsky *et al.*, Chemical genetics of Hh signaling: Identification and characterization of Smoothened agonists and antagonists. *Submitted*, 2002), or recombinant SHh-N protein (Roelink *et al.*, Floor plate and motor neuron induction by

different concentrations of the amino-terminal cleavage product of sonic hedgehog autoproteolysis. *Cell*, 81:445-55, 1995), with essentially identical results.

[00104] Exposure of RA-treated EBs to 10 nM Hh-Ag1.3 for 3 days resulted in a marked change in the profile of transcription factor expression. Pax7 expression was completely repressed, the number of Pax6⁺ and Irx3⁺ cells was increased, the number of Dbx1⁺ cells was reduced, and a few Nkx6.1⁺ and Olig2⁺ cells were detected (FIGS. 2C and 2D and data not shown). Exposure of RA-treated EBs to 1 μ M Hh-Ag1.3 virtually eliminated Dbx1 expression, markedly reduced the number of Irx3⁺ and Pax6⁺ cells, and induced a large increase in the number of Nkx6.1⁺ and Olig2⁺ cells (FIGS. 2C and 2D). Many of the Olig2⁺ cells in Hh-Ag1.3-exposed EBs incorporated BrdU (FIG. 10), indicating that they are cycling progenitors. At this concentration of Hh-Ag1.3, a few Nkx2.2⁺ cells were also induced (FIGS. 2C and 2D), but no HNF3 β ⁺ floor plate cells were detected (data not shown). The dorsal-to-ventral shift in the profile of expression of progenitor cell transcription factor markers in EBs in response to Hh signalling closely resembles the behavior of neural tube progenitors (Ericson *et al.*, Two critical periods of Sonic Hedgehog signaling required for the specification of motor neuron identity. *Cell*, 87:661-73, 1996; Ericson *et al.*, Pax6 controls progenitor cell identity and neuronal fate in response to graded SHh signaling. *Cell*, 90:169-80, 1997; Briscoe *et al.*, A homeodomain protein code specifies progenitor cell identity and neuronal fate in the ventral neural tube. *Cell*, 101:435-45, 2000). In particular, high levels of SHh signalling generated many cells that expressed a profile of HD and bHLH protein expression characteristic of motor neuron progenitors.

[00105] To determine whether motor neurons were generated from the caudalized and ventralized progenitor cells present in RA- and Hh-exposed EBs, the inventors analyzed the expression of HB9, an HD protein expressed selectively and persistently by somatic motor neurons (Pfaff *et al.*, Requirement for LIM homeobox gene Isl1 in motor neuron generation reveals a motor neuron-dependent step in interneuron differentiation. *Cell*, 84:309-20, 1996; Arber *et al.*, Requirement for the homeobox gene Hb9 in the consolidation of motor neuron identity. *Neuron*, 23:659-764, 1999; Thaler *et al.*, Active suppression of interneuron programs within developing motor neurons revealed by analysis of homeodomain factor HB9. *Neuron*, 23:675-87, 1999) (FIG. 3A). RA-exposed EBs grown alone for 5 days did contain a few HB9⁺ neurons (FIG. 3B; 7 ± 2 HB9⁺ neurons/section). To test whether these

neurons were generated in a Hh-dependent manner, the inventors grew RA-exposed EBs in the presence of a function-blocking anti-Hh antibody (mAb 5E1 Ig, 30 μ g/ml) (Ericson *et al.*, Two critical periods of Sonic Hedgehog signaling required for the specification of motor neuron identity. *Cell*, 87:661-73, 1996). RA-exposed EBs grown in the presence of anti-Hh contained no HB9⁺ neurons (FIG. 3B), indicating that an endogenous source of Hh is required for the differentiation of the few motor neurons found in RA-exposed EBs.

[00106] The inventors also examined whether the efficiency of motor neuron generation can be enhanced by elevating the level of Hh signalling in RA-exposed EBs. Exposure of RA-treated EBs to SHh (300 nM) or Hh-Ag1.3 (1 μ M) resulted in a marked increase in the number of motor neurons generated: typically, 20-30% of cells in these EBs expressed HB9 (~5000 HB9⁺ neurons; 509 ± 57 HB9⁺ neurons/section; ~10-15 sections per EB) (FIG. 3B and data not shown). These HB9⁺ cells coexpressed NeuN and TuJ1 (FIGS. 3C and 3D), and did not incorporate BrdU (FIG. 10), indicating that they are post-mitotic neurons. No HB9⁺ neurons were generated in EBs treated with Hh-Ag1.3 (1 μ M) for 5 days without RA exposure (FIG. 3B). Thus, the generation of motor neurons in EBs depends on both the caudalizing action of RA and the ventralizing action of Hh signals.

[00107] To assess the molecular character of post-mitotic motor neurons in more detail, the inventors examined the expression of 3 LIM HD proteins that are expressed by subsets of spinal motor neurons: Isl1, Lhx3, and Lim1 (Tsuchida *et al.*, Topographic organization of embryonic motor neurons defined by expression of LIM homeobox genes. *Cell*, 79:957-70, 1994; Sharma *et al.*, LIM homeodomain factors Lhx3 and Lhx4 assign subtype identities for motor neurons. *Cell*, 95:817-28, 1998; Kania *et al.*, Coordinate roles for LIM homeobox genes in directing the dorsoventral trajectory of motor axons in the vertebrate limb. *Cell*, 102:161-73, 2000) (FIG. 3A). All three LIM HD proteins were expressed by HB9⁺ motor neurons in RA- and Hh-exposed EBs. Over 70% of HB9⁺ motor neurons coexpressed Isl1 and Lhx3 (FIGS. 3E and 3F), but a much smaller fraction (<5%) coexpressed Lim1 (FIG. 3G). No HB9⁺ neurons coexpressed Phox2b (data not shown), a marker of hindbrain visceral motor neurons (Pattyn *et al.*, Control of hindbrain motor neuron differentiation by the homeobox gene Phox2b. *Development*, 127:1349-58, 2000). The low proportion of motor neurons that coexpressed HB9 and Lim1 – a profile indicative of lateral motor column (LMC) neurons (Kania *et al.*, Coordinate roles for LIM homeobox genes in

directing the dorsoventral trajectory of motor axons in the vertebrate limb. *Cell*, 102:161-73, 2000) – was consistent with the rostral cervical identity of motor neurons, revealed by the profile of Hox-c protein expression (Belting *et al.*, Multiple phases of expression and regulation of mouse Hoxc8 during early embryogenesis. *J. Exp. Zool.*, 282:196-222, 1998; Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001).

[00108] Since SHh acts in a graded manner, ventral interneurons are induced at concentrations only slightly below that sufficient for motor neuron generation (Briscoe and Ericson, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11(1):43-49, 2001). Therefore, the inventors examined whether ventral interneurons are also generated in RA-treated EBs exposed to 1 μ M Hh-Ag1.3. Both Lhx3⁺, Chx10⁺ V2 interneurons and Lim1/2⁺ (likely V0 and V1) interneurons were detected in these EBs (FIGS. 3G and 3H and data not shown). Thus, as with primary neural tissue (Briscoe and Ericson, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11(1):43-49, 2001), small variations in the level of Hh signalling to which cells in EBs are exposed results in the generation of both ventral interneurons and spinal motor neurons.

eGFP-labeled, ES-cell-derived motor neurons may be generated and isolated.

[00109] The heterogeneity of ventral neurons induced in EBs by RA and Hh signalling prompted the inventors to develop a method for identifying, purifying, and manipulating ES-cell-derived motor neurons. Therefore, the inventors designed an ES-cell line capable of giving rise to motor neurons, identifiable by expression of enhanced green fluorescent protein (eGFP). A transgenic mouse line was generated in which an *eGfp* cDNA was expressed under the control of a 9-kb 5' region of the mouse *HB9* gene that confers motor neuron-specific transgene expression (FIG. 4A) (Arber *et al.*, Requirement for the homeobox gene Hb9 in the consolidation of motor neuron identity. *Neuron*, 23:659-764, 1999). Transgenic founder mice were screened by comparing the patterns of HB9 and eGFP expression. One mouse line, *mHB9-Gfp1b*, was found to express high levels of eGFP in the cell bodies of spinal motor neurons in E9.5 - P10 mice, in a pattern that paralleled that of endogenous HB9 (FIGS. 4B-4G). In addition, eGFP expression was detected at high levels in the axons and dendrites of motor neurons (FIG. 4C and data not shown). An ES-cell line (HBG3) was derived from *mHB9-Gfp1b* transgenic mice; these cells transmitted the *eGfp* gene through the

germ-line, and directed expression of eGFP in a similar motor-neuron-selective pattern (data not shown).

[00110] The inventors found that HBG3 ES cells differentiated into motor neurons, under conditions of RA and Hh exposure, in a manner that resembled closely that of other mouse ES cells. EBs generated from HBG3 ES cells grown for 5 days in RA, but without Hh-Ag1.3, contained a few HB9⁺ motor neurons, and all of these coexpressed eGFP in their cell somata and neurites (FIG. 5A). The number of eGFP⁺/HB9⁺ motor neurons was increased upon exposure to Hh-Ag1.3, in a concentration-dependent manner (FIGS. 5B and 5C). Typically, eGFP⁺/HB9⁺ motor neurons constituted 20-30% of the total number of cells present in EBs exposed to RA and 1 μ M Hh-Ag1.3 (1000; FIG. 5C). Exposure of EBs to Hh-Ag1.3 (1 μ M) in the absence of RA failed to generate eGFP⁺/HB9⁺ motor neurons (-1000; FIG. 5C). Thus, HBG3 EB cells can also be induced to generate eGFP⁺/HB9⁺ motor neurons in an efficient manner, through activation of RA and Hh signalling pathways.

[00111] The inventors used eGFP expression to test whether HBG3 ES-cell-derived motor neurons undergo aspects of differentiation *in vitro* that are characteristic of embryo-derived motor neurons. RA- and Hh-exposed EBs (FIG. 5D) were dissociated into single cells or into small aggregates, and plated on a matrigel substrate in the presence of neurotrophic factors. ES-cell-derived motor neurons adhered and extended long processes that could be visualized by eGFP expression (FIGS. 5R-5F). The morphological features of these ES-cell-derived motor neurons resembled those of eGFP-labeled motor neurons isolated from the embryonic spinal cord of *mHB9-Gfp1b* mice (FIGS. 6J and 6K and data not shown). Moreover, eGFP⁺/HB9⁺ motor neurons generated *in vitro* expressed choline acetyltransferase (FIGS. 5G and 5H), indicative of their cholinergic neurotransmitter status.

[00112] The inventors also examined the neurotrophic-factor-dependence of HBG3 ES-cell-derived motor neurons, in a direct comparison with primary embryonic motor neurons. The inventors dissociated RA- and Hh-exposed HBG3-derived EBs into a single cell suspension, and isolated cells that expressed high levels of eGFP using fluorescence-activated cell sorting (FACS) (FIG. 6A). In parallel, the inventors FACS-isolated primary embryonic motor neurons from rostral cervical spinal cord of E10.5 *mHB9-Gfp1b* embryos (data not shown). From either source, >98% of neurons that expressed high levels of eGFP also coexpressed HB9 (FIGS. 6B and 6C), and these neurons extended long processes (FIGS.

6D and 6E and data not shown). The survival of purified eGFP⁺/HB9⁺ motor neurons generated from HBG3 ES cells (FIGS. 6F-6I and 6L) or isolated from E10.5 *mHB9-Gfp1b* embryos (FIGS. 6J-6L) exhibited a similar dependence on neurotrophic factors (see, e.g., Bloch-Gallego *et al.*, Survival in vitro of motoneurons identified or purified by novel antibody-based methods is selectively enhanced by muscle-derived factors. *Development*, 111:221-32, 1991; and Camu *et al.*, Purification of embryonic rat motoneurons by panning on a monoclonal antibody to the low-affinity NGF receptor. *J. Neurosci. Methods*, 44:59-70, 1992).

ES-cell-derived eGFP⁺ motor neurons differentiate in embryonic spinal cord.

[00113] The survival and differentiation of HBG3 ES-cell-derived motor neurons *in vitro* prompted the inventors to examine the behavior of these neurons when reintroduced into the spinal cord *in vivo*. EBs were isolated after 3-4 days of RA- and Hh-Ag1.3 exposure (when post-mitotic motor neurons first appear), dispersed into small aggregates, and implanted into the prospective rostral (or caudal) cervical, thoracic, or lumbar levels of the spinal cord of HH stages 15-17 chick embryos (FIG. 7A) – the stages at which differentiation of endogenous motor neurons begins (Hollyday *et al.*, An autoradiographic study of the formation of the lateral motor column in the chick embryo. *Brain Res.*, 132:197-208, 1977). Operated embryos were permitted to develop for a further 3-7 days, to HH stages 27-36.

[00114] Analysis of the spinal cord of operated embryos at HH stage 27 revealed the presence of many eGFP⁺/HB9⁺ motor neurons (FIGS. 7B-7J and 7O-7Q). Although the initial dorsoventral placement of EB grafts was not controlled, the inventors detected a striking segregation in the position of mouse motor neurons and interneurons in the chick spinal cord, when examined 3-7 days later (FIG. 7E). Almost invariably, eGFP⁺/HB9⁺ motor neurons were found in a ventrolateral position characteristic of that of endogenous motor neurons, whereas EB-derived Lim2⁺ interneurons (recognized by a rodent-specific antibody) were scattered along the dorsoventral axis of the spinal cord (FIG. 7E). The vast majority of eGFP⁺/HB9⁺ motor neurons coexpressed Lhx3 and lacked expression of Lim1, regardless of the segmental level of grafting (FIG. 7F and data not shown). Thus, the LIM HD profile of eGFP⁺/HB9⁺ ES-cell-derived motor neurons observed *in vitro* did not appear to be changed by *in vivo* grafting.

[00115] Since Olig2⁺ motor neuron progenitors were present in grafted EBs, it is possible that some or all of the eGFP⁺ motor neurons found in chick spinal cord derived from grafted progenitor cells that underwent terminal differentiation *in situ*. Accordingly, the inventors tested whether post-mitotic motor neurons that had been generated from HBG3 cells *in vitro* could also survive in the spinal cord *in vivo*. eGFP⁺/HB9⁺ ES-cell-derived motor neurons were isolated from dissociated EBs by FACS sorting, and then grafted into chick spinal cord. After 3 days, many eGFP⁺/HB9⁺ motor neurons were found in the ventral regions of the spinal cord (FIGS. 7C and 7D). Thus, post-mitotic ES-cell-derived motor neurons can also survive and differentiate *in vivo*.

[00116] Certain stem cell populations have been reported to undergo fusion with somatic cells (Terada *et al.*, Bone marrow cells adopt the phenotype of other cells by spontaneous cell fusion. *Nature*, 416:542-45, 2002; Ying *et al.*, Changing potency by spontaneous fusion. *Nature*, 416:545-48, 2002), prompting the inventors to test the possibility that HBG3 ES-cell-derived eGFP⁺/HB9⁺ motor neurons might have formed somatic hybrids with chick spinal cord neurons. The inventors found that eGFP⁺/HB9⁺ motor neuron cell bodies expressed neuronal surface proteins of mouse origin, such as NCAM (FIG. 7G) – which is recognized by a rodent-specific antibody – but did not express surface proteins of chick origin, such as SC1 (FIG. 7I) – which is recognized by a chick-specific antibody. Similarly, the axons of grafted motor neurons expressed mouse, but not chick, surface proteins (FIGS. 7H and 7J). These findings provide direct evidence against the occurrence of somatic cell fusion.

[00117] As an additional control, the inventors examined the fate of grafts of HBG3 EBs that had been neuralized and caudalized by *in vitro* exposure to RA, but prevented from ventralization by inclusion of anti-Hh antibody (5E1; 30 µg/ml). Many mouse NCAM⁺ cells and Lim2⁺ interneurons were found, but no eGFP⁺/HB9⁺ motor neurons were detected (FIGS. 7K-7N). Thus, cells present in RA-exposed EBs were not directed to a motor neuron fate *in vivo* upon exposure to signals provided by host chick tissues.

[00118] Additionally, the inventors examined whether the axons of HBG3 ES-cell-derived motor neurons extend out of the spinal cord. Many eGFP⁺ axons were detected in the ventral roots (FIGS. 7B, 7D, and 7O). Analysis of the pattern of peripheral projections of eGFP⁺ motor axons in HH stage 27 embryos revealed that HBG3 ES-cell-derived motor

neurons, grafted at rostral-cervical levels, projected to axial musculature (data not shown), that motor neurons grafted at thoracic levels projected towards both axial and body wall musculature (FIGS. 7O and 7P), and that motor neurons grafted at limb levels (caudal cervical or lumbar spinal cord) projected axons into both the dorsal and ventral halves of the limb (FIG. 7Q and data not shown). Thus, ES-cell-derived motor neurons are able to populate different segmental levels of the spinal cord, and to project along the major peripheral axonal pathways selected by host somatic motor neurons *in vivo*.

[00119] The inventors also found that the axons of eGFP⁺ motor neurons reach muscle targets. For example, extensive ingrowth and branching of eGFP⁺ motor axons was detected in the intercostal muscles at HH stages 30-35 (FIG. 8A). The inventors examined whether these eGFP⁺ motor axons exhibit aspects of terminal synaptic differentiation at sites of muscle contact. In particular, the inventors analyzed three markers of nerve terminal differentiation: synaptobrevin (Syb), which is recognized by a rodent-specific antibody); the vesicular ACh transporter (VACHT), which is recognized by a rodent-specific antibody); and synaptotagmin (Syn), which is recognized by an antibody that detects both rodent and chick protein). At sites of contact with muscles, eGFP⁺ motor axon branches displayed signs of presynaptic specialization, as revealed by focal expression of Syb, Syn, and VACHT (FIGS. 8B-8E).

[00120] The inventors next examined whether the presynaptic terminal specializations of eGFP⁺ motor axons were aligned with post-synaptic specialization of the muscle surface membrane, by analyzing the distribution of ACh receptors. Many of the terminal specializations of eGFP⁺ motor axons were aligned with focal clusters of ACh receptors on the muscle surface, as defined by rhodamine- α -bungarotoxin (Rh- α -BTX) labeling (FIG. 8F). Thus, the axons of ES-cell-derived motor neurons appeared to form synapses with target skeletal muscles *in vivo*.

[00121] As detailed above, the inventors have examined whether the delineation of extracellular inductive signals and transcription factors, which are involved in the conversion of neural progenitor cells to specific neuronal subtypes *in vivo*, permits a rational, embryology-based approach to the differentiation of ES cells into specific classes of CNS neurons. The inventors' findings show that mouse ES cells can generate spinal motor neurons

at high efficiency, and that the pathway of motor neuron generation from ES cells recapitulates the steps of motor neuron generation *in vivo*. ES-cell-derived motor neurons repopulate the ventral spinal cord *in vivo*, extend axons into the periphery, and form synapses with muscle targets. These studies establish the feasibility of applying insights into normal developmental signalling cascades, particularly the control of extracellular inductive signals, to direct the differentiation of ES cells into specific classes of CNS neurons. The ability of ES-cell-derived motor neurons to innervate target muscle cells offers the potential for a systematic evaluation of the use of such neurons to restore motor function in mammalian models of spinal cord injury and motor neuron degenerative diseases.

10 The Pathway of Motor-Neuron Generation from ES Cells

[00122] The specification of motor neuron fate *in vivo* can be considered in three sequential steps: (a) the primary neuralization of ectodermal cells; (b) the secondary caudalization of neural cells; and (c) the ventralization of caudalized neural cells (Jessell *et al.*, Neuronal specification in the spinal cord: inductive signals and transcriptional codes. *Nat. Rev. Genet.*, 1:20-29, 2000; Wilson *et al.*, Neural induction: toward a unifying mechanism. *Nat. Neurosci.*, 4th Suppl.:1161-68, 2001). The inventors' results, discussed herein, provide evidence that the pathway of differentiation of ES cells into motor neurons resembles the normal programs involved in the caudalization and ventralization of neural cells.

[00123] Neural plate cells, regardless of their final positional identities, appear initially to possess a rostral character (Munoz-Sanjuan *et al.*, Neural induction, the default model and embryonic stem cells. *Nat. Rev. Neurosci.*, 3:271-80, 2002). The subsequent imposition of a spinal cord character appears to involve RA-mediated signals provided by the paraxial mesoderm (Muhr *et al.*, Convergent inductive signals specify midbrain, hindbrain, and spinal cord identity in gastrula stage chick embryos. *Neuron*, 23:689-702, 1999; Wilson *et al.*, Neural induction: toward a unifying mechanism. *Nat. Neurosci.*, 4 Suppl.:1161-68, 2001). In particular, RA has been shown to specify spinal cord character at the expense of midbrain or rostral hindbrain identity (Muhr *et al.*, Convergent inductive signals specify midbrain, hindbrain, and spinal cord identity in gastrula stage chick embryos. *Neuron*, 23:689-702, 1999). The inventors have found that ES cells that have been neuralized by exposure to PA6 cell activity express a midbrain positional character (see, also, Kawasaki *et al.*, Induction of midbrain dopaminergic neurons from ES cells by stromal cell-derived inducing activity.

Neuron, 28:31-40, 2000), but can be converted to a cervical spinal positional identity upon exposure to RA. The requirement for RA exposure in motor-neuron generation described in these studies is complemented by an RA-mediated inhibition of midbrain dopaminergic neuronal differentiation (Kawasaki *et al.*, Induction of midbrain dopaminergic neurons from ES cells by stromal cell-derived inducing activity. *Neuron*, 28:31-40, 2000). Together, these findings support the view that RA promotes spinal cord positional identity in neuralized EBs in a manner that parallels its normal role in patterning the rostrocaudal axis of the neural tube.

[00124] Why do the spinal cord cells induced by RA in EBs possess a rostral cervical positional identity? A likely reason for this comes from the finding that, at times after the specification of a generic spinal progenitor identity, the rostrocaudal positional identity of spinal cord cells continues to be influenced by ongoing RA signalling (Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001). In particular, RA-mediated signalling promotes the acquisition of rostral cervical spinal positional character, at the expense of thoracic and lumbar positional identities (Liu *et al.*, Assigning the positional identity of spinal motor neurons. Rostrocaudal patterning of Hox-c expression by FGFs, Gdf11, and retinoids. *Neuron*, 32:997-1012, 2001). Thus, the exposure of neuralized ES cells to RA is likely to account both for the emergence of an initial spinal positional character, and for the restriction of these cells to a rostral cervical identity.

[00125] ES cells that have acquired a spinal progenitor identity also appear to follow a normal pathway of motor neuron progenitor specification. One line of evidence for this is the sensitivity of these cells to Hh signalling. Motor-neuron generation from ES-cell-derived spinal progenitors, as *in vivo* (Chiang *et al.*, Cyclopia and defective axial patterning in mice lacking Sonic hedgehog gene function. *Nature*, 383:407-13, 1996), is completely dependent on Hh signalling. Thus, the generation of a few motor neurons in the absence of added Hh appears to result from expression of low levels of endogenous Hh activity in EBs, possibly mediated by IHH or SHH (Byrd *et al.*, Hedgehog is required for murine yolk sac angiogenesis. *Development*, 129:361-72, 2002; Dyer *et al.*, Indian hedgehog activates hematopoiesis and vasculogenesis and can respecify prospective neurectodermal cell fate in the mouse embryo. *Development*, 128:1717-30, 2001). Conversely, elevating the level of Hh signalling in EBs markedly enhances motor neuron generation.

[00126] A second line of evidence is provided by the profile of expression of progenitor transcription factors elicited in EBs by Hh signalling. In the absence of Hh signalling, spinal progenitors in EBs exhibit a dorsal and intermediate neural progenitor identity. Activation of Hh signalling extinguishes the expression of dorsal progenitor determinants in a concentration-dependent manner that closely mimics the response of primary spinal progenitor cells (Briscoe *et al.*, Specification of neuronal fates in the ventral neural tube. *Curr. Opin. Neurobiol.*, 11(1):43-49, 2001). Moreover, high levels of Hh signalling activity induce the expression of Nkx6.1 and Olig2 – the two progenitor cell transcription factors most intimately linked with motor-neuron generation *in vivo* (Sander *et al.*, Ventral neural patterning by Nkx homeobox genes: Nkx6.1 controls somatic motor neuron and ventral interneuron fates. *Genes Dev.*, 14:2134-39, 2000; Vallstedt *et al.*, Different levels of repressor activity assign redundant and specific roles to Nkx6 genes in motor neuron and interneuron specification. *Neuron*, 31:743-55, 2001; Novitch *et al.*, Coordinate regulation of motor neuron subtype identity and pan-neuronal properties by the bHLH repressor Olig2. *Neuron*, 31:773-89, 2001; Mizuguchi *et al.*, Combinatorial roles of olig2 and neurogenin2 in the coordinated induction of pan-neuronal and subtype-specific properties of motoneurons. *Neuron*, 31:757-71, 2001). Taken together, these findings indicate that neuralized ES cells respond both to rostrocaudal and dorsoventral patterning signals in a manner that closely resembles the behavior of primary neural plate cells, initially generating spinal cord progenitor cells, and subsequently generating motor neuron progenitors.

[00127] The inventors' studies have not addressed the steps involved in the initial phase of neural differentiation from ES cells. *In vivo*, neural induction appears to depend on the blockade BMP signalling (Munoz-Sanjuan *et al.*, Neural induction, the default model and embryonic stem cells. *Nat. Rev. Neurosci.*, 3:271-80, 2002), and, at least in chick, on exposure to FGFs (Streit *et al.*, Initiation of neural induction by FGF signalling before gastrulation. *Nature*, 406:74-78, 2000; Wilson *et al.*, An early requirement for FGF signalling in the acquisition of neural cell fate in the chick embryo. *Curr. Biol.*, 10:421-429, 2000; Wilson *et al.*, The status of Wnt signalling regulates neural and epidermal fates in the chick embryo. *Nature*, 411:325-30, 2001). Recent studies have suggested a role for inhibition of BMP signalling in neural induction in ES cells (Gratsch *et al.*, Noggin and chordin have distinct activities in promoting lineage commitment of mouse embryonic stem (ES) cells.

Dev. Biol., 245:83-94, 2002; Tropepe *et al.*, Direct neural fate specification from embryonic stem cells: a primitive mammalian neural stem cell stage acquired through a default mechanism. *Neuron*, 30:65-78, 2001). However, additional studies are needed to determine how closely the early steps of neural specification in ES cells conform to pathways of neural induction *in vivo*.

Differentiation of ES-Cell-Derived Motor Neurons *In Vivo*

[00128] Several observations indicate that ES-cell-derived motor neurons also behave *in vivo* in a manner that resembles their embryonic counterparts. Firstly, eGFP⁺ motor neurons are typically restricted to the ventral spinal cord, often in a ventrolateral position – which is characteristic of endogenous motor neurons. In contrast, ES cell-derived spinal interneurons are scattered throughout the dorsoventral axis of the spinal cord. These observations suggest that ES-cell-derived motor neurons and interneurons undergo an active process of segregation after their introduction into the host spinal cord. An alternative possibility is that motor neurons that fail to populate the ventral spinal cord die or extinguish eGFP expression. One argument against this later possibility is that motor neurons generated in the dorsal spinal cord in response to misexpression of Nkx6 or MNR2 proteins do survive and differentiate in an ectopic dorsal position (Tanabe *et al.*, Specification of motor neuron identity by the MNR2 homeodomain protein. *Cell*, 95:67-80, 1998; Briscoe *et al.*, A homeodomain protein code specifies progenitor cell identity and neuronal fate in the ventral neural tube. *Cell*, 101:435-45, 2000).

[00129] Secondly, ES-cell-derived motor neurons project axons out of the spinal cord via the ventral root, and select the major peripheral pathways taken by somatic motor neurons. The projection of the axons of ES-cell-derived motor neurons into the limb is notable, since very few of these neurons express a LIM HD code appropriate for limb-projecting LMC neurons (Tsuchida *et al.*, Topographic organization of embryonic motor neurons defined by expression of LIM homeobox genes. *Cell*, 79:957-70, 1994). A similar mismatch between the LIM HD code of motor neurons and peripheral axonal trajectories is found in two other experimental contexts. Overexpression of Lhx3 confers an MMC molecular identity to motor neurons at limb levels of the spinal cord; yet, many of these motor neurons still project axons into the limb (Sharma *et al.*, Genetic and epigenetic mechanisms contribute to motor neuron pathfinding. *Nature*, 406:515-19, 2000). In addition,

thoracic level motor neurons that have been placed at limb levels of the spinal cord can still project into the limb (O'Brien *et al.*, Development and survival of thoracic motoneurons and hindlimb musculature following transplantation of the thoracic neural tube to the lumbar region in the chick embryo: anatomical aspects. *J. Neurobiol.*, 21:313-40, 1990). Thus, the projection of the axons of ES-cell-derived motor neurons into the limb is likely to reflect the fact that the LIM HD code can be overridden in circumstances in which motor neurons face an altered or restricted choice of peripheral pathways.

[00130] Thirdly, on arrival at target muscles, the axons of ES-cell-derived motor neurons exhibit many signs of pre-synaptic differentiation, notably the expression of cholinergic neurotransmitter properties. Moreover, these presynaptic specializations are found in alignment with focal clusters of ACh receptors on the post-synaptic muscle membrane, suggesting that the synaptic contacts formed between ES-cell-derived motor neurons and skeletal muscles are functional. Together, these *in vivo* studies show that ES-cell-derived motor neurons are able to negotiate successive steps in the normal developmental program through which a newly-generated motor neuron in the spinal cord innervates its skeletal muscle target.

[00131] Finally, the efficiency with which inductive signals are able to convert ES cells into motor neurons suggests a general strategy for generating other predefined classes of CNS neurons, through systematic variation in the identity and concentration of rostrocaudal and dorsoventral patterning signals to which ES cells are exposed. The ability to direct cell fate solely through the use of extracellular factors, without the need to manipulate ES cells genetically (see, *e.g.*, Kyba *et al.*, HoxB4 confers definitive lymphoid-myeloid engraftment potential on embryonic stem cell and yolk sac hematopoietic progenitors. *Cell*, 109:29-37, 2002), may permit a direct extension of this strategy to human ES cells and other classes of neural progenitor cells.

[00132] While the foregoing invention has been described in some detail for purposes of clarity and understanding, it will be appreciated by one skilled in the art, from a reading of the disclosure, that various changes in form and detail can be made without departing from the true scope of the invention in the appended claims.

CLAIMS

What is claimed is:

1. A method for inducing differentiation of an embryonic stem cell into a differentiated neural cell, comprising contacting the embryonic stem cell with amounts of a rostralizing and/or caudalizing embryonic signalling factor and a dorsalizing or ventralizing embryonic signalling factor effective to produce a differentiated neural cell.
2. The method of Claim 1, wherein the embryonic stem cell is a murine embryonic stem cell.
3. The method of Claim 1, wherein the embryonic stem cell is a human embryonic stem cell.
4. The method of Claim 1, wherein the rostralizing embryonic signalling factor is retinoic acid or Wnt.
5. The method of Claim 1, wherein the caudalizing embryonic signalling factor is retinoic acid or Wnt.
6. The method of Claim 1, wherein the dorsalizing embryonic signalling factor is BMP or Wnt.
7. The method of Claim 1, wherein the ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway.
8. The method of Claim 7, wherein the activator of a Hedgehog signalling pathway is a Hedgehog protein or an agonist of Hedgehog signalling.
9. The method of Claim 7, wherein the activator of a Hedgehog signalling pathway is SHh or Hh-Ag1.3.

10. The method of Claim 1, wherein the embryonic stem cell is contacted with the rostralizing and/or caudalizing embryonic signalling factor prior to contact with the dorsalizing or ventralizing embryonic signalling factor.

11. The method of Claim 10, further comprising contacting the embryonic stem
5 cell with at least one neurotrophic factor following contact with the dorsalizing or ventralizing embryonic signalling factor.

12. The method of Claim 1, wherein the differentiated neural cell is selected from the group consisting of astrocyte, neuron, oligodendrocyte, and Schwann cell.

10

13. The method of Claim 12, wherein the differentiated neural cell is a motor neuron.

14. The method of Claim 13, wherein the motor neuron is a spinal motor neuron.

15

15. The method of Claim 1, wherein the differentiated neural cell expresses enhanced green fluorescent protein (eGFP).

16. The method of Claim 1, wherein the contacting is effected *in vivo* in a subject.

20

17. The method of Claim 16, wherein the contacting is effected *in vivo* in a subject by administering the embryonic signalling factors to the subject.

18. The method of Claim 1, wherein the contacting is effected *in vitro*.

25

19. The method of Claim 18, further comprising the step of transplanting the differentiated neural cell into a subject.

20. The method of Claim 19, wherein the differentiated neural cell is transplanted
30 into the spinal cord of the subject.

21. The method of Claim 19, wherein the subject is an embryo.

22. The method of Claim 19, wherein the subject is a human.

23. The method of Claim 19, wherein the subject has nervous tissue degeneration.

5 24. The method of Claim 23, wherein the nervous tissue degeneration is a peripheral neuropathy or a neurodegenerative disease.

10 25. The method of Claim 24, wherein the peripheral neuropathy is associated with a condition selected from the group consisting of amyotrophic lateral sclerosis (ALS), neural trauma, paraneoplastic syndrome, polio, postpolio syndrome, progressive bulbar palsy, and spinal muscular atrophy (SMA).

15 26. The method of Claim 25, wherein the neurodegenerative disease is selected from the group consisting of Alzheimer's disease, amyotrophic lateral sclerosis (Lou Gehrig's Disease), Binswanger's disease, Huntington's chorea, multiple sclerosis, myasthenia gravis, Parkinson's disease, and Pick's disease.

20 27. A differentiated neural cell produced by the method of Claim 1.

28. The differentiated neural cell of Claim 27, which expresses enhanced green fluorescent protein (eGFP).

29. A method for producing differentiated neural cells, comprising the steps of:

- 25 (a) obtaining or generating a culture of embryonic stem cells;
- (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells;
- (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; and
- 30 (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor.

30. The method of Claim 29, wherein the embryonic stem cells are murine embryonic stem cells.

5 31. The method of Claim 29, wherein the embryonic stem cells are human embryonic stem cells.

32. The method of Claim 29, wherein the rostralizing embryonic signalling factor is retinoic acid or Wnt.

10 33. The method of Claim 29, wherein the caudalizing embryonic signalling factor is retinoic acid or Wnt.

34. The method of Claim 29, wherein the dorsalizing embryonic signalling factor is BMP or Wnt.

15

35. The method of Claim 29, wherein the ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway.

20 36. The method of Claim 35, wherein the activator of a Hedgehog signalling pathway is a Hedgehog protein or an agonist of Hedgehog signalling.

37. The method of Claim 35, wherein the activator of a Hedgehog signalling pathway is SHh or Hh-Agl.3.

25 38. The method of Claim 29, wherein the neural progenitor cells are selected from the group consisting of progenitor cells of DRG neurons, progenitor cells of motor neurons, progenitor cells of peripheral neurons, progenitor cells of spinal cord neurons, and progenitor cells of ventral interneurons.

30 39. The method of Claim 29, wherein the differentiated neural cells are selected from the group consisting of astrocytes, neurons, oligodendrocytes, and Schwann cells.

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40. The method of Claim 39, wherein the differentiated neural cells are motor neurons.

41. The method of Claim 40, wherein the motor neurons are post-mitotic.

42. The method of Claim 40, wherein the motor neurons are spinal motor neurons.

43. The method of Claim 29, wherein the differentiated neural cells express enhanced green fluorescent protein (eGFP).

44. The method of Claim 29, wherein steps (b)-(d) are performed *in vivo* in a subject.

45. The method of Claim 29, wherein one or more of steps (b), (c), and (d) are performed *in vitro*.

46. The method of Claim 45, further comprising the step of transplanting the differentiated neural cells into a subject.

47. The method of Claim 46, wherein the differentiated neural cells are transplanted into the spinal cord of the subject.

48. The method of Claim 45, further comprising an additional step selected from the group consisting of transplanting the neural progenitor cells into a subject and transplanting the differentiated neural cells into a subject.

49. The method of Claim 48, wherein the subject is an embryo.

50. The method of Claim 48, wherein the subject is a human.

51. The method of Claim 48, wherein the subject has nervous tissue degeneration.

52. The method of Claim 51, wherein the nervous tissue degeneration is a peripheral neuropathy or a neurodegenerative disease.

53. The method of Claim 52, wherein the peripheral neuropathy is associated with a condition selected from the group consisting of amyotrophic lateral sclerosis (ALS), neural trauma, paraneoplastic syndrome, polio, postpolio syndrome, progressive bulbar palsy, and spinal muscular atrophy (SMA).

54. The method of Claim 52, wherein the neurodegenerative disease is selected from the group consisting of Alzheimer's disease, amyotrophic lateral sclerosis (Lou Gehrig's Disease), Binswanger's disease, Huntington's chorea, multiple sclerosis, myasthenia gravis, Parkinson's disease, and Pick's disease.

55. A population of cells, comprising the differentiated neural cells produced by the method of Claim 29.

56. The population of Claim 55, wherein some or all of the differentiated neural cells express enhanced green fluorescent protein (eGFP).

57. A method for repopulating a spinal cord in a subject, comprising the steps of:

- (a) obtaining or generating a culture of embryonic stem cells;
- (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells;
- (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells;
- (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; and
- (e) transplanting the differentiated neural cells into a spinal cord of the subject.

58. The method of Claim 57, wherein the embryonic stem cells are murine embryonic stem cells.

59. The method of Claim 57, wherein the embryonic stem cells are human embryonic stem cells.

60. The method of Claim 57, wherein the caudalizing embryonic signalling factor
5 is retinoic acid.

61. The method of Claim 57, wherein the ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway.

10 62. The method of Claim 61, wherein the activator of a Hedgehog signalling pathway is a Hedgehog protein or an agonist of Hedgehog signalling.

63. The method of Claim 61, wherein the activator of a Hedgehog signalling pathway is SHh or Hh-Ag1.3.
15

64. The method of Claim 57, wherein the neural progenitor cells are selected from the group consisting of progenitor cells of DRG neurons, progenitor cells of motor neurons, progenitor cells of peripheral neurons, progenitor cells of spinal cord neurons, and progenitor cells of ventral interneurons.
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65. The method of Claim 57, wherein the differentiated neural cells are selected from the group consisting of astrocytes, neurons, oligodendrocytes, and Schwann cells.

66. The method of Claim 65, wherein the differentiated neural cells are motor
25 neurons.

67. The method of Claim 66, wherein the motor neurons are post-mitotic.

68. The method of Claim 66, wherein the motor neurons are spinal motor neurons.
30

69. The method of Claim 57, wherein the differentiated neural cells express enhanced green fluorescent protein (eGFP).

70. The method of Claim 57, wherein the subject is an embryo.

71. The method of Claim 57, wherein the subject is a human.

72. The method of Claim 57, wherein the subject has nervous tissue degeneration.

73. The method of Claim 72, wherein the nervous tissue degeneration is a peripheral neuropathy.

74. The method of Claim 73, wherein the peripheral neuropathy is associated with a condition selected from the group consisting of amyotrophic lateral sclerosis (ALS), neural trauma, paraneoplastic syndrome, polio, postpolio syndrome, progressive bulbar palsy, and spinal muscular atrophy (SMA).

75. The method of Claim 74, wherein the peripheral neuropathy is ALS or SMA.

76. A method for treating nervous tissue degeneration in a subject in need of treatment, comprising the steps of:

- (a) obtaining or generating a culture of embryonic stem cells;
- (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells;
- (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells;
- (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor; and
- (e) transplanting the differentiated neural cells into the subject in an amount effective to treat the nervous tissue degeneration.

77. The method of Claim 76, wherein the nervous tissue degeneration is a peripheral neuropathy or a neurodegenerative disease.

78. The method of Claim 77, wherein the peripheral neuropathy is associated with a condition selected from the group consisting of amyotrophic lateral sclerosis (ALS), neural trauma, paraneoplastic syndrome, polio, postpolio syndrome, progressive bulbar palsy, and spinal muscular atrophy (SMA).

5

79. The method of Claim 77, wherein the neurodegenerative disease is Alzheimer's disease, amyotrophic lateral sclerosis (Lou Gehrig's Disease), Binswanger's disease, Huntington's chorea, multiple sclerosis, myasthenia gravis, Parkinson's disease, and Pick's disease.

10

80. The method of Claim 76, wherein the embryonic stem cells are murine embryonic stem cells.

81. The method of Claim 76, wherein the embryonic stem cells are human embryonic stem cells.

15

82. The method of Claim 76, wherein the rostralizing embryonic signalling factor is retinoic acid or Wnt.

83. The method of Claim 76, wherein the caudalizing embryonic signalling factor is retinoic acid or Wnt.

20

84. The method of Claim 76, wherein the dorsalizing embryonic signalling factor is BMP or Wnt.

85. The method of Claim 76, wherein the ventralizing embryonic signalling factor is an activator of a Hedgehog signalling pathway.

25

86. The method of Claim 85, wherein the activator of a Hedgehog signalling pathway is a Hedgehog protein or an agonist of Hedgehog signalling.

30

87. The method of Claim 85, wherein the activator of a Hedgehog signalling pathway is SHh or Hh-Ag1.3.

88. The method of Claim 76, wherein the neural progenitor cells are selected from the group consisting of progenitor cells of DRG neurons, progenitor cells of motor neurons, progenitor cells of peripheral neurons, progenitor cells of spinal cord neurons, and progenitor
5 cells of ventral interneurons.

89. The method of Claim 76, wherein the differentiated neural cells are selected from the group consisting of astrocytes, neurons, oligodendrocytes, and Schwann cells.

10 90. The method of Claim 89, wherein the differentiated neural cells are motor neurons.

91. The method of Claim 90, wherein the motor neurons are post-mitotic.

15 92. The method of Claim 90, wherein the motor neurons are spinal motor neurons.

93. The method of Claim 76, wherein the subject is an embryo.

20 94. The method of Claim 76, wherein the subject is a human.

95. Neural progenitor cells produced by a method comprising the steps of:
(a) obtaining or generating a culture of embryonic stem cells;
(b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells;
25 and

(c) optionally, contacting the neural progenitor cells with a dorsalizing or ventralizing embryonic signalling factor.

96. The neural progenitor cells of Claim 95, which express enhanced green
30 fluorescent protein (eGFP).

97. Use of the neural progenitor cells of Claim 95 in analyzing neuron development, function, and death, or in monitoring synaptic differentiation.

98. Differentiated neural cells produced by a method comprising the steps of:

- (a) obtaining or generating a culture of embryonic stem cells;
- (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells;
- (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells; and
- (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor.

99. The differentiated neural cells of Claim 98, which express enhanced green fluorescent protein (eGFP).

100. Use of the differentiated neural cells of Claim 98 in analyzing neuron development, function, and death, or in monitoring synaptic differentiation.

101. A transgenic non-human animal line containing the embryonic stem cells of Claim 98, wherein the cells express enhanced green fluorescent protein (eGFP).

102. A method for isolating a population of differentiated neural cells, comprising the steps of:

- (a) obtaining or generating a culture of embryonic stem cells that express enhanced green fluorescent protein (eGFP);
- (b) contacting the culture of embryonic stem cells with an amount of a rostralizing and/or caudalizing embryonic signalling factor effective to produce neural progenitor cells that express eGFP;
- (c) contacting the neural progenitor cells with an amount of a dorsalizing or ventralizing embryonic signalling factor effective to produce differentiated neural cells that express eGFP;
- (d) optionally, contacting the differentiated neural cells with at least one neurotrophic factor;

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- (e) detecting expression of eGFP in the differentiated neural cells; and
- (f) isolating the differentiated neural cells that express eGFP.

- 5 103. A method for identifying an agent for use in treating a condition associated with motor neuron degeneration, comprising the steps of:
- (a) obtaining or generating a culture of embryonic stem cells;
 - (b) contacting the culture of embryonic stem cells with an amount of retinoic acid effective to produce neural progenitor cells;
 - (c) activating a Hedgehog signalling pathway in the neural progenitor cells, to
10 produce motor neurons, wherein some or all of the motor neurons are degenerated;
 - (d) contacting the degenerated motor neurons with a candidate agent; and
 - (e) determining if the agent enhances regeneration of some or all of the degenerated motor neurons.

- 15 104. The method of Claim 103, wherein genomic DNA in the degenerated neurons carries a mutation in an SOD or SMN gene.

105. The method of Claim 104, wherein the degenerated neurons express enhanced green fluorescent protein (eGFP).

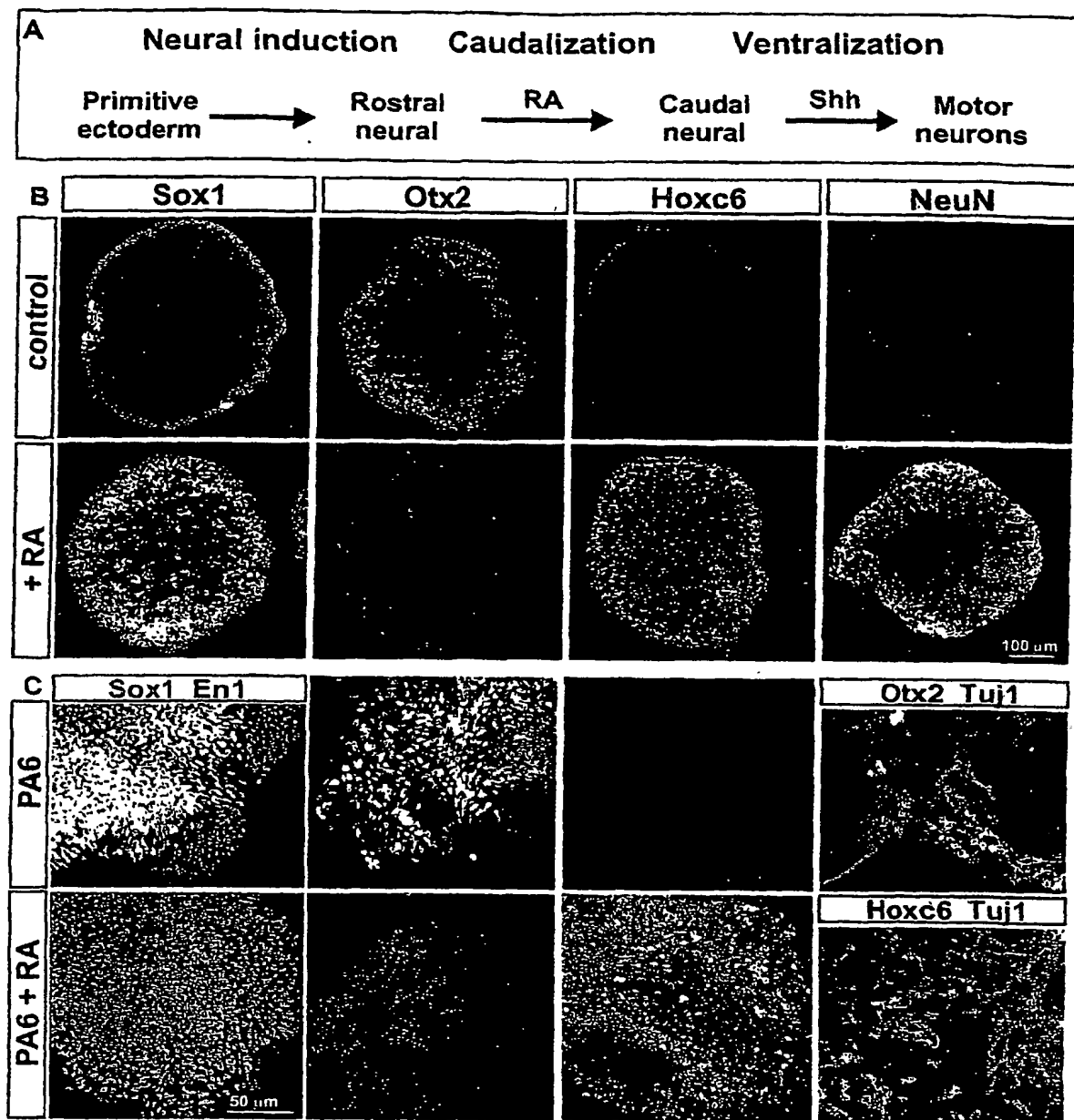


FIG. 1/10

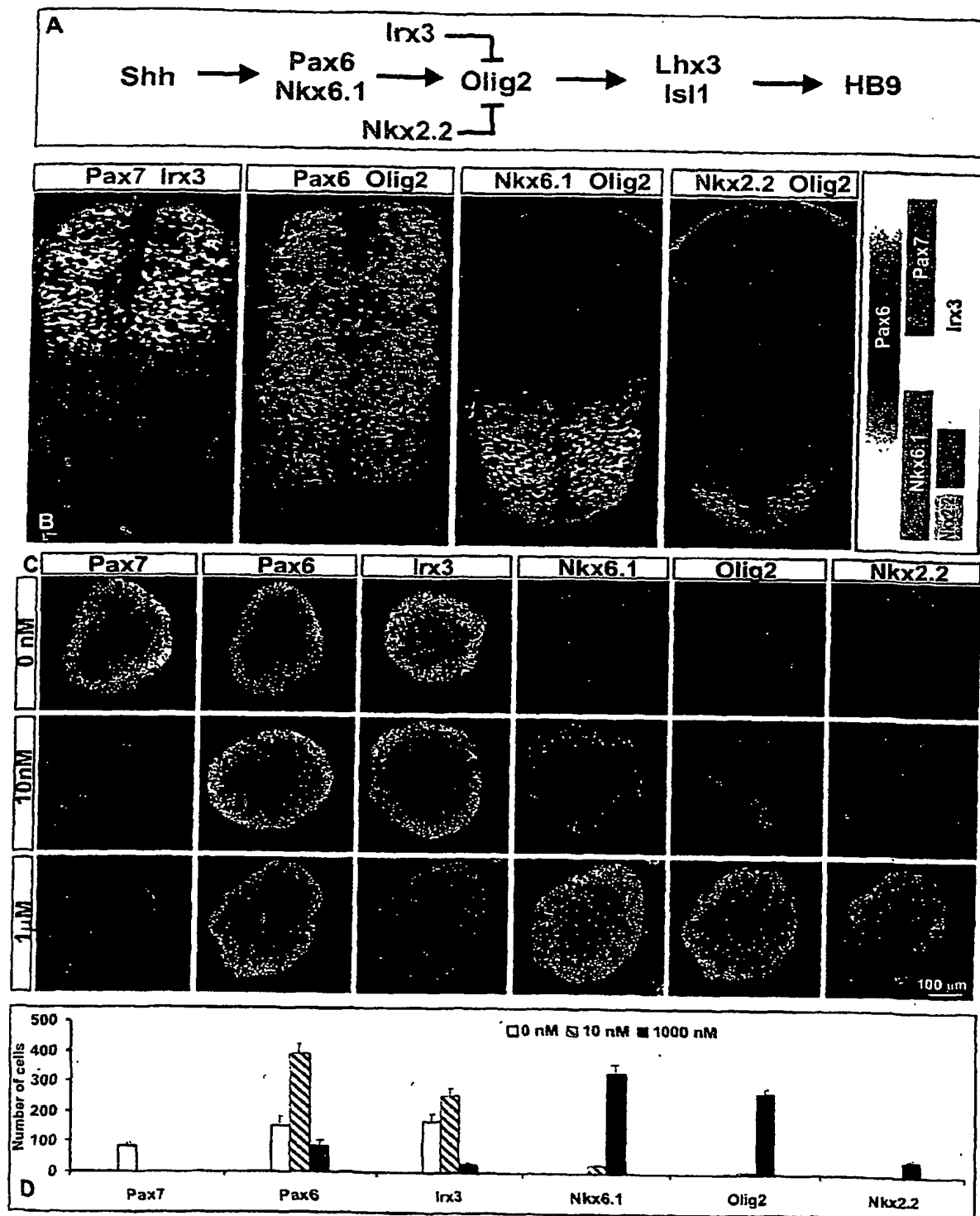


FIG. 2/10

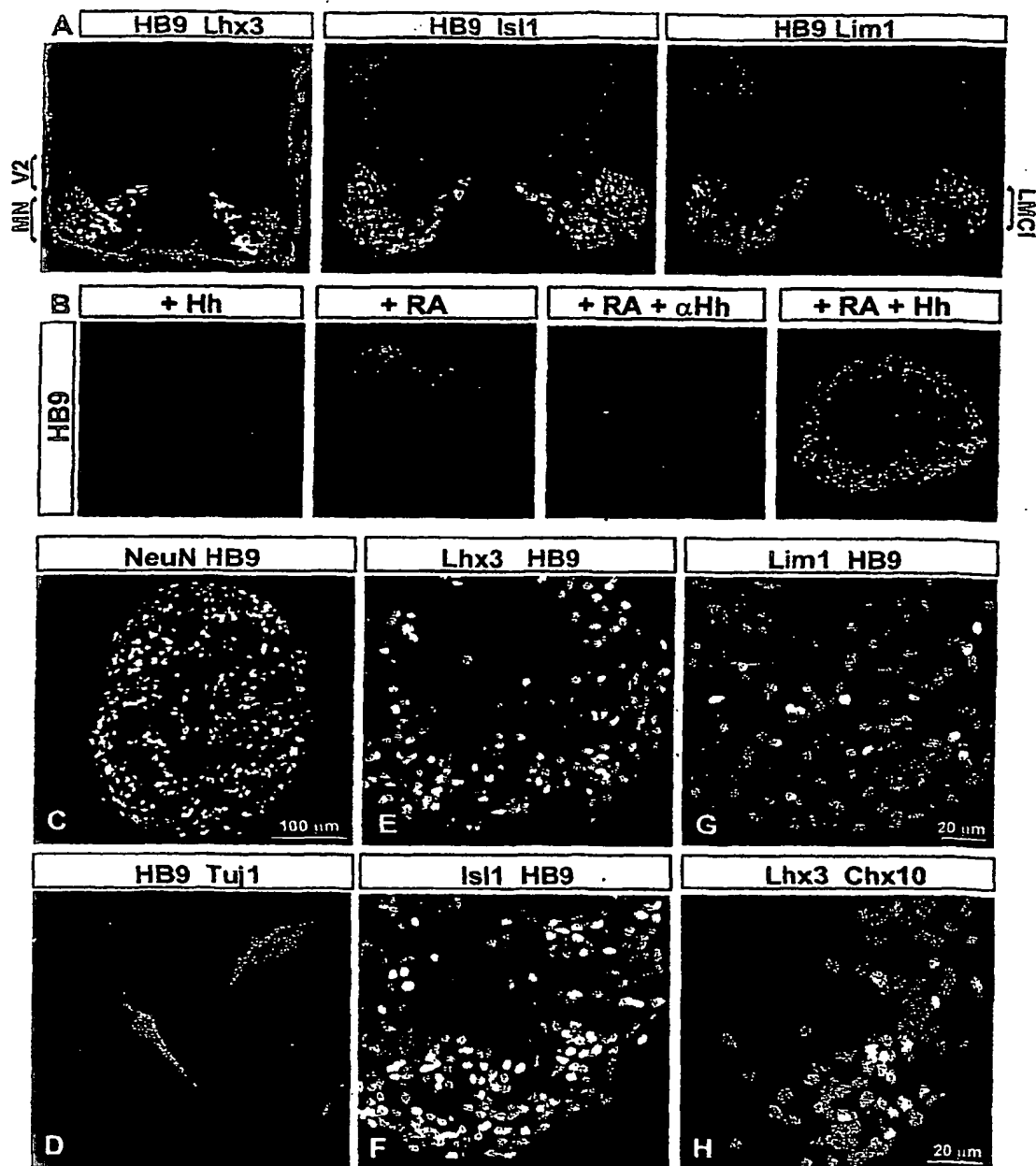


FIG. 3/10

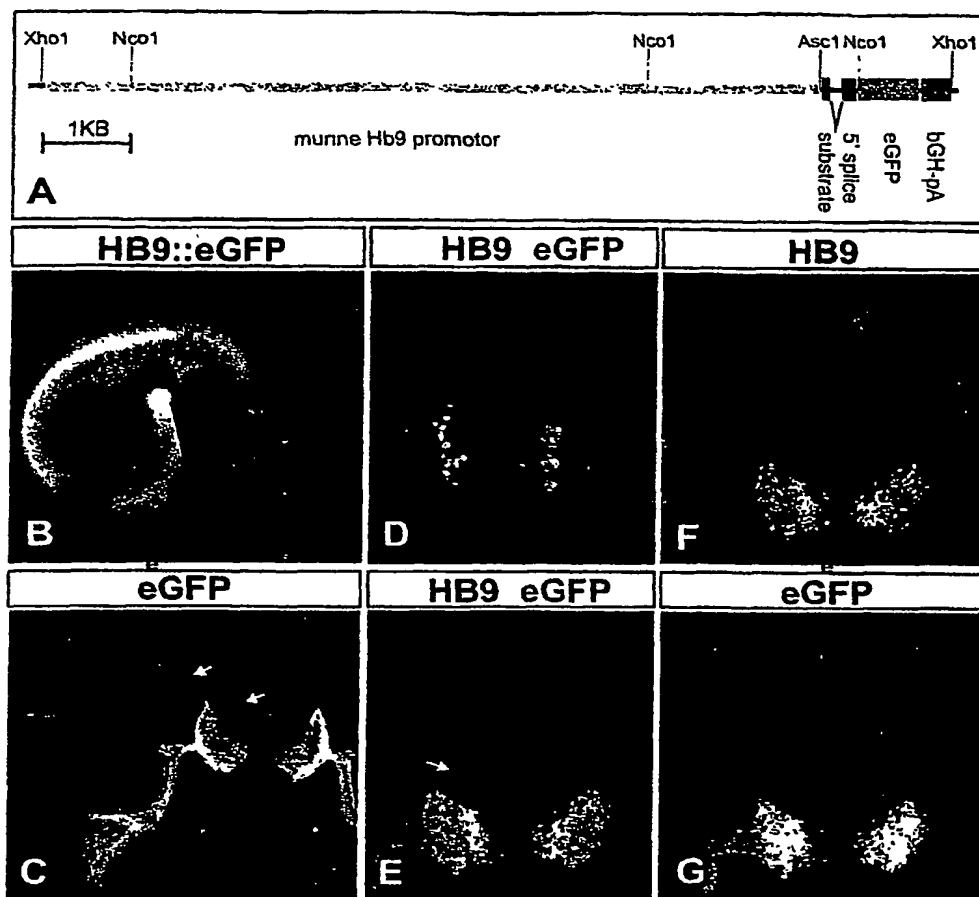


FIG. 4/10

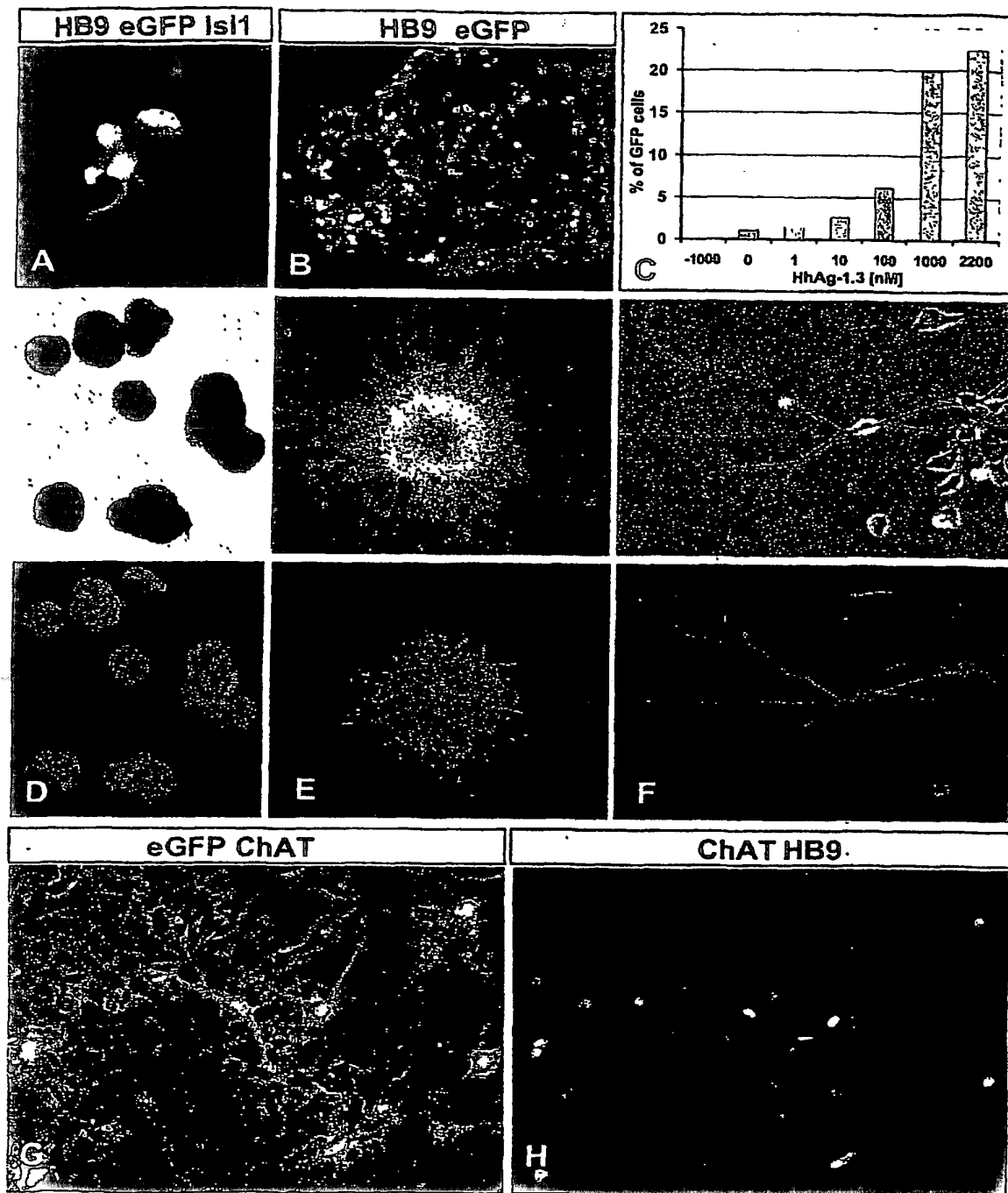


FIG. 5/10

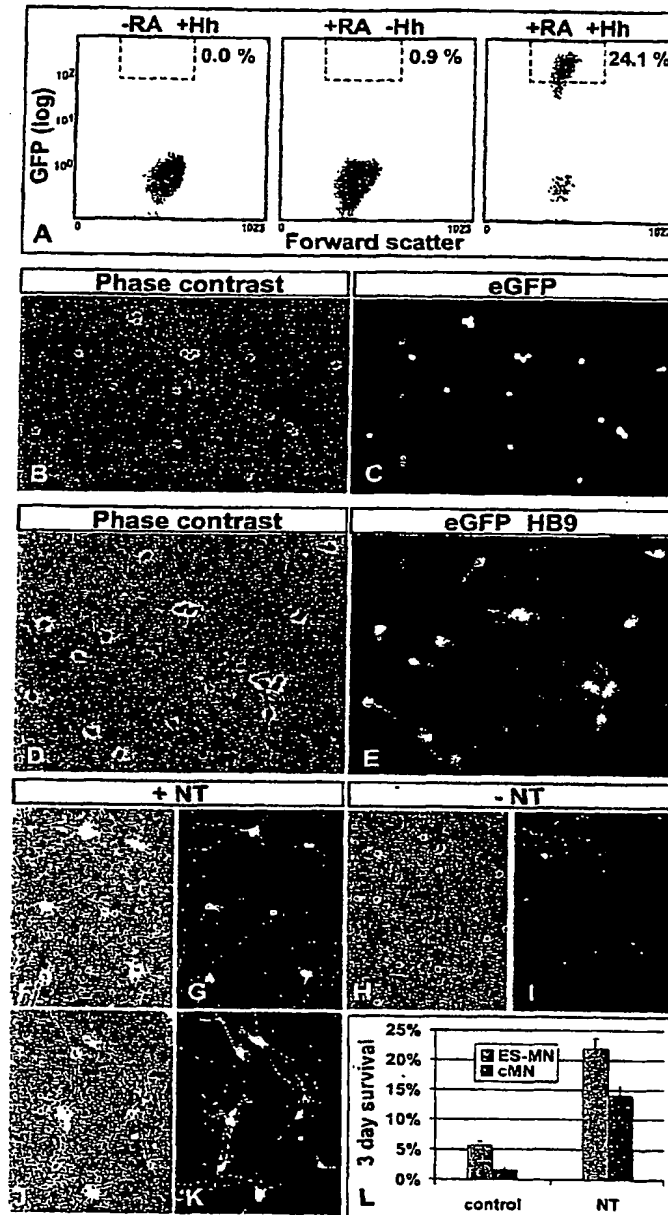


FIG. 6/10

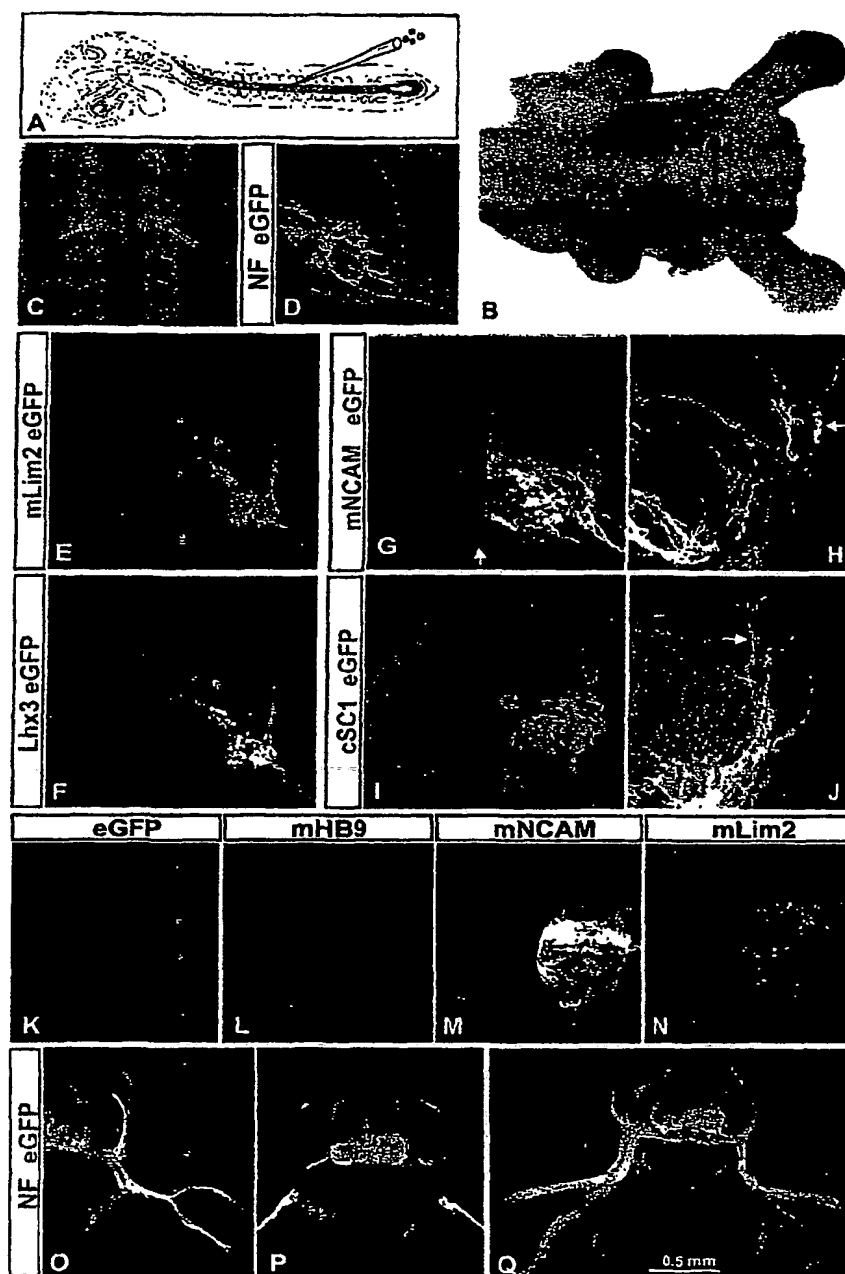
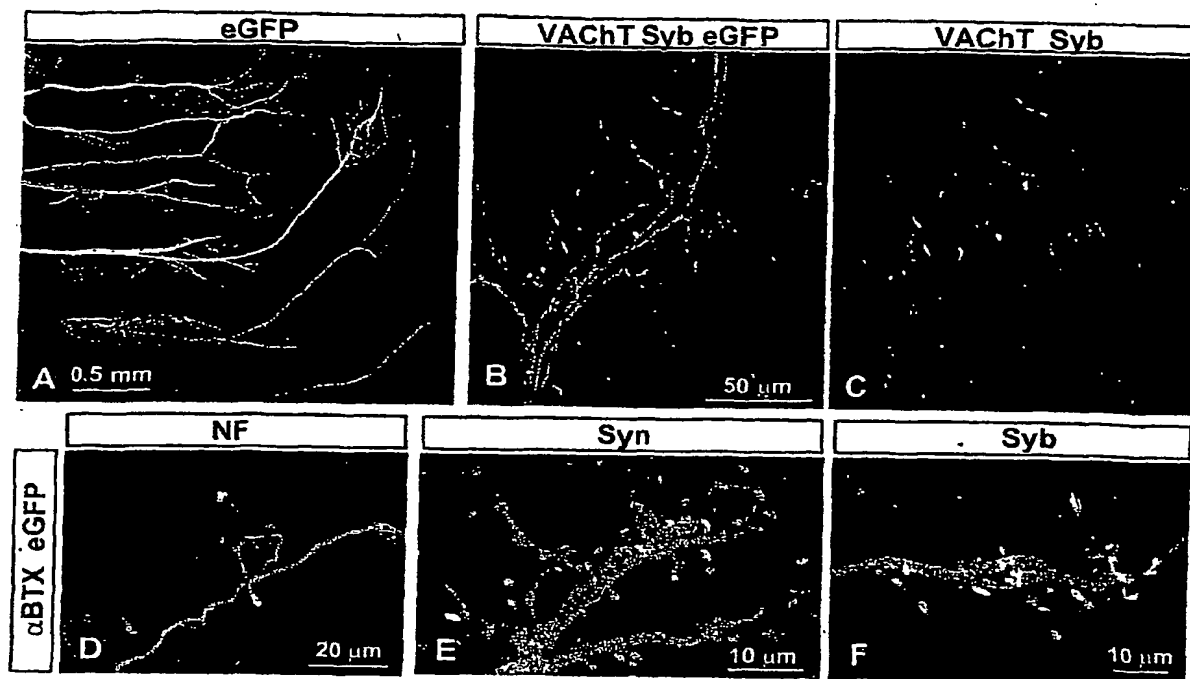
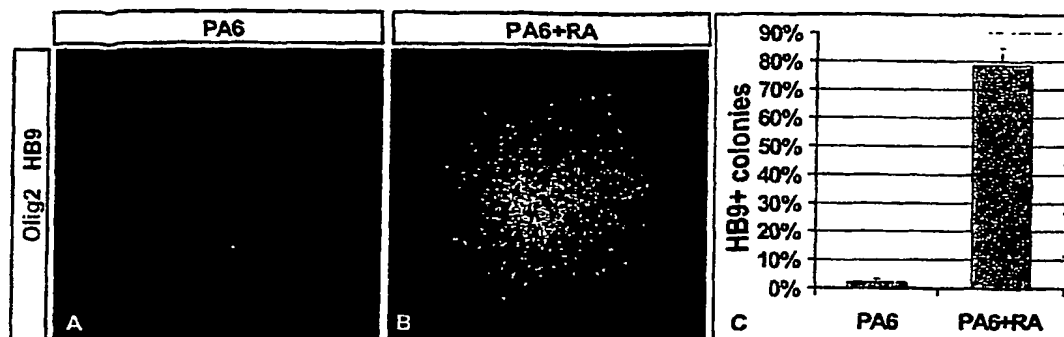
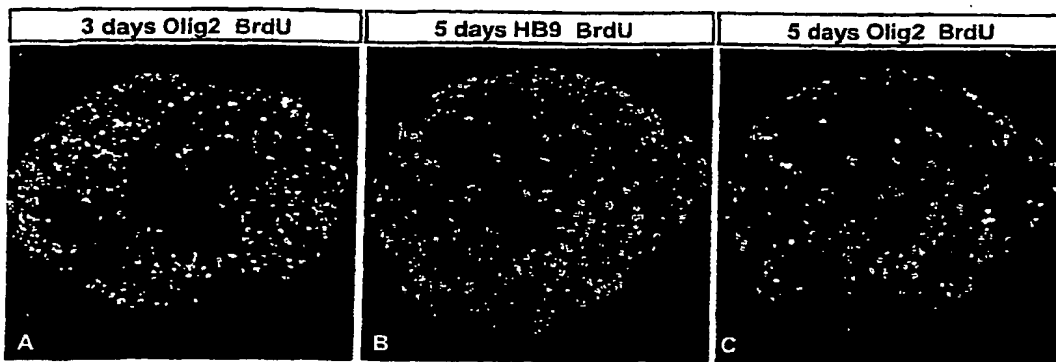


FIG. 7/10

**FIG. 8/10**

**FIG. 9/10**

**FIG. 10/10**